

**CITY OF MARSHALLVILLE,
GEORGIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

**HERBERT E. ALLEN
CERTIFIED PUBLIC ACCOUNTANT
AMERICUS, GEORGIA 31709**

CITY OF MARSHALLVILLE,

GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

	<u>PAGE</u>
List of Elected and Appointed Officials	i
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements	
Balance Sheet - Governmental Funds	5
Reconciliation of the Government Funds Balance Sheet To the Government Wide Statement of Net Position	6
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	8
Statement of Revenues, Expenditures, and changes in Fund Balances - Budget and Actual - General Fund	9
Statement of Net Position - Proprietary Funds	10
Statement of Revenues, Expenses, and Changes in Net Fund Position-Proprietary Funds	11 -12
Statement of Cash Flows - Proprietary Funds	13 -14
Notes to Financial Statements:	15 -34
Report on Internal Control over financial Reporting and on Compliance and other matters based on an audit of financial Statements performed accordance with government auditing standards	35 -36

TABLE OF CONTENTS (Continued)

	<u>PAGE</u>
Supplemental Information:	
Financial Statements of Individual Funds:	
Schedule of Revenue by Department - Actual and Budgeted	37 - 38
Schedule of Expenditures by Department - Actual and Budgeted	39 - 43
Independent Auditors' Report on Special 1 percent Sales and Use Tax	44
Schedule of Projects Constructed with Special Sales Tax Proceeds for Fiscal Year Ending June 30, 2019	45
Schedule of Projects Constructed with Special Sales Tax Proceeds for Fiscal Year Ending June 30, 2019	46
T SPLOST	
Balance Sheet	47
Statement of Revenues, Expenditures	48
LMIG	
Balance Sheet	49
Statement of Revenues, Expenditures	50
SPLOST	
2010 Balance Sheet -Capital Projects Fund	51
2010 Capital projects Fund-Combining Schedule of Revenue and Expenditures and Changes to Fund Balance	52
2006 Balance Sheet -Capital Projects Fund	53
2006 Capital projects Fund-Combining Schedule of Revenue and Expenditures and Changes to Fund Balance	54
2016 Balance Sheet -Capital Projects Fund	55
2016 Capital Projects Fund Combining Schedule of Revenue and Expenditures and Changes to Fund Balance	56

CITY OF MARSHALLVILLE

ADMINISTRATION

MAYOR

VALERY DAVIS

CITY COUNCIL

TIMOTHY GERARD, Mayor Pro-tem

JANNETTE LEARY

BETTY RACKLEY

MARILYN BROWN

KRISTY WIGGINS

CITY CLERK

JENIFER MANKAMYER

PRETANDRA LARRY, Deputy Clerk

HERBERT E. ALLEN

CERTIFIED PUBLIC ACCOUNTANT

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Member of the American Institute of
Certified Public Accountants

Member of the Georgia Society of
Certified Public Accountants

Member of the Florida Institute of
Certified Public Accountants

October 15, 2020

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Marshallville
Marshallville, Georgia 31057

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund of the City of Marshallville, GA, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United State 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 State of America, , and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation 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 opinions, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of Marshallville, Georgia as of June 30, 2019, and the respective changes in financial position and where applicable cash flows thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Matters

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

Other Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Dooly County, Georgia, financial statements. The combining and individual other fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements, and the procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

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

Accounting principles generally accepted in the United States of America require that they identify required supplementary information, analysis and budgetary comparison information on pages 37-43 is presented to supplement the basic financial statements. Such information, although not a part of the basic financial statement, is required by the Governmental Accounting Standard Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational context. We have applied certain limited procedures to the required supplementary information in accordance with the 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 Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated October 15, 2020, on our consideration of the City of Marshallville, Georgia internal control over financial reporting and on tests of its compliance with certain provisions of law, regulations, contracts, and grants. The purpose of that report is to described the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with the auditor’s report on financial statements.



HERBERT E. ALLEN, CPA

CITY OF MARSHALLVILLE, GEORGIA
GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities	Business-Type Activities	Total Reporting Entity
<u>Assets</u>			
Cash and cash equivalents	\$141,105	\$31,428	\$172,533
Receivables (net of allowance):	8,972	19,902	28,874
Taxes	44,393		44,393
Accounts Receivable			
Restricted cash	185,484	29,119	214,603
Interfund Balances	(63,049)	63,049	-
Capital assets:			
Land	3,000	3,650	6,650
Infrastructure	574,534	-	574,534
Buildings	1,564,925	4,046,741	5,611,666
Equipment	642,496	338,730	981,226
Accumulated Depreciation	(341,649)	(2,322,337)	(2,663,986)
Other assets	7,663		7,663
Total assets	\$2,767,874	\$2,210,282	\$4,978,156
Deferred Outflows of Resources	18,306		18,306
<u>Liabilities and Net Position</u>			
<u>Liabilities</u>			
Accounts and claims payable	\$ 23,206	\$5,500	\$ 28,706
Accrued liabilities	21,433	-	21,433
Net Pension Liability	92,807	-	92,807
Customer deposits		53,296	53,296
Deferred Inflow of Resources	-		
Noncurrent Liabilities:			
Due within one year		13,071	13,071
Due in more than one year	-	83,313	83,313
Total Liabilities	\$ 137,446	\$155,180	\$ 292,626
Deferred Inflows of Resources	12,068		12,068
<u>Net Position</u>			
Net Investment in capital assets	\$2,450,593	\$1,970,400	4,420,993
Restricted for capital outlay	185,484	29,119	214,603
Unrestricted	589	55,583	56,172
Total Net Position	\$2,636,666	\$2,055,102	\$4,691,768

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF MARSHALLVILLE, GEORGIA
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 Year Ended June 30, 2020

	Program Revenues			Position		
	Expenses	Fees, Fines & Charges for Services	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Program Activities:						
General Government	\$ 186,556	\$ 18,205	\$ 158,400	\$ (9,951)	\$ -	\$ (9,951)
Public Safety-Fire	18,140			(18,140)		(18,140)
Public Safety-Police	301,760	33,971		(267,789)		(267,789)
Sanitation	117,933	126,921		8,988		8,988
Public Works	103,827			(103,827)		(103,827)
Culture and Recreation	22,932			(22,932)		(22,932)
Total Governmental Activities	\$ 751,148	\$ 179,097	\$ 158,400	\$ (413,651)	\$ -	\$ (413,651)
Business-Type Activities:						
Water and Sewer	\$ 407,687	\$ 380,925	\$ -	\$ -	\$ (26,762)	\$ (26,762)
Total Business-Type Activities	\$ 407,687	\$ 380,925	\$ -	\$ -	\$ (26,762)	\$ (26,762)
Total Government	\$ 1,158,835	\$ 560,022	\$ 158,400	\$ (413,651)	\$ (26,762)	\$ (440,413)
General Revenues:						
Taxes:						
Property Tax				\$ 238,258		\$ 238,258
Sales Tax				139,523		139,523
Alcohol Beverage				13,023		13,023
Franchise Fees				10,562		10,562
Intergovernmental				-		-
Insurance Premium				110,548		110,548
Miscellaneous				31,325		31,325
Total General Revenues				\$ 543,239	\$ -	\$ 543,239
Net				129,588		
Transfers				(182,976)	\$ 182,976	\$ -
Change in Net Position				(53,388)	156,214	102,826
Net Position at Beginning of Year (as adjusted)				2,641,130	1,898,888	4,540,018
Prior Period Adjustment *				49,132	-	49,132
Net Position at End of Year				\$ 2,636,874	\$ 2,055,102	\$ 4,691,976

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF MARSHALLVILLE, GEORGIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	General	T SPLOST	LMIG	SPLOST 2016-2022	TOTAL Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 141,105				\$ 141,105
Restricted Cash		113,810	22,442	49,232	185,484
Receivables (Net of Allowance):					-
Taxes	44,393				44,393
Intergovernmental					-
Other Receivables	8,972				8,972
Other Assets	7,663				7,663
Due to Other Funds					-
Total Assets	202,133	113,810	22,442	49,232	387,617
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts Payable	44,631				44,631
Deferred Revenue	48,976				48,976
Customer Deposits	-				-
Due to other funds	63,049				63,049
Total Liabilities	156,656				156,656
<u>Fund Balances:</u>					
Restricted for capital outlay		113,810	22,442	49,232	185,484
Unassigned	45,477				45,477
Total Fund Balances	45,477	113,810	22,442	49,232	230,961
Total Liabilities and Fund Balances	\$ 202,133	\$ 113,810	\$ 22,442	\$ 49,232	\$ 387,617

The accompanying notes to the financial statements are an integral part of this statement

CITY OF MARSHALLVILLE, GEORGIA
 RECONCILIATION OF THE GOVERNMENT FUNDS BALANCE SHEET TO THE GOVERNMENT
 WIDE STATEMENT OF NET POSITION
 For the Fiscal Year Ended June 30, 2020

Total fund balances – total governmental funds \$279,929

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.

	\$	2,784,955	
Cost of capital assets			
Less accumulated depreciation		(341,649)	2,443,306

Deferred inflows of resources for pensions reported on the government-wide statement
 of position but not reported on the governmental fund balance sheet.

18,306

Deferred outflows of resources for pensions reported on the government-wide statement
 of position but not reported on the governmental fund balance sheet.

(12,068)

Liabilities not due and payable in the current period and therefore are not reported in
 the governmental fund balance sheets but are reported on the government-wide
 statement of net position.

Net pension liability payable (excess)		(92,607)	(92,607)
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Net Position of Governmental Activities	\$	2,636,866	2,636,866
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See accompanying notes to the basic financial statements

The accompanying notes to the financial statements are an integral part of this
 statement

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

	Major Governmental Funds Capital Projects				
	General	T SPLOST	LMIG	SPLOST 2016-2022	TOTAL Reporting Entity
REVENUES:					
Taxes	\$520,043	\$27,139	\$10,000	\$121,261	\$ 678,443
Licenses and permits	18,205				18,205
Intergovernmental	-				-
Charges for services(Garbage)	126,921				126,921
Fines and forfeitures	33,976				33,976
Other	23,191				23,191
Total revenues	<u>\$722,336</u>	<u>\$27,139</u>	<u>\$10,000</u>	<u>\$121,261</u>	<u>\$880,736</u>
EXPENDITURES:					
Current:					
General government	\$181,755				\$181,755
Streets	220,872				220,872
Police	294,277				294,277
Sanitation-Garbage					0
Fire	7,623				7,623
Recreation, Senior Center & Library	23,930				23,930
Capital Outlay					
General Government				1,767	1,767
Street			7,287	7,564	14,851
Police	-			35,813	35,813
Total expenditures	<u>\$728,457</u>	<u>\$0</u>	<u>\$7,287</u>	<u>\$45,144</u>	<u>\$780,888</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(\$6,121)</u>	<u>\$27,139</u>	<u>\$2,713</u>	<u>\$76,117</u>	<u>99,848</u>
TRANSFERS SPLOST				(156,000)	(156,000)
TRANSFERS-WATER DEPARTMENT, SPLOST	-			(26,976)	(26,976)
TOTAL OTHER FINANCING SOURCES	-	-	-	(182,976)	(182,976)
EXCESS EXPENDITURES OVER REVENUES AND OTHER SOURCES	(6,121)	27,139	2,713	(106,859)	(83,128)
FUND BALANCE -BEGINNING	<u>\$ 51,598</u>	<u>86,671</u>	<u>19,729</u>	<u>156,091</u>	<u>\$ 314,089</u>
FUND BALANCE -ENDING	<u>\$ 45,477</u>	<u>\$ 113,810</u>	<u>\$ 22,442</u>	<u>\$ 49,232</u>	<u>\$ 230,961</u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF MARSHALLVILLE, GEORGIA
Reconciliation of the Government Funds -
Statement of Revenues, Expenditures and Changes in Fund
Balances to the Government-Wide Statement of Activities and
Changes in Net Position
For Fiscal Year Ended June 30, 2020

Net change in fund balances – total government funds	\$	(29,707)
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Amounts reported for governmental activities in the Statements of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		45,144
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Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense on capital is not reported as expenditures in Government Funds		(23,689)
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Pension costs reported on the government-wide statement of activities but not reported on the governmental fund operating statement. Prior Period Adjustment		7,287
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Changes in net position of governmental activities	\$	(965)
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The accompanying notes to the financial statements are an integral part of this statement.

**CITY OF MARSHALLVILLE, GEORGIA
GENERAL FUND TYPE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND TYPE
FOR THE YEAR ENDING JUNE 30, 2020**

	<u>BUDGET</u>			VARIANCE- FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>2020 ACTUAL</u>	
REVENUES:				
Taxes	\$ 536,450	\$ 536,450	\$ 520,043	(\$ 16,407)
Licenses and permits	19,100	19,100	18,205	(895)
Intergovernmental	-	-	-	-
Charges for services	140,000	140,000	126,921	(13,079)
Fines and forfeitures	59,950	59,950	33,971	(25,979)
Other	17,300	17,300	23,196	5,896
Total revenues	<u>\$ 772,800</u>	<u>\$ 772,800</u>	<u>\$ 722,336</u>	<u>(\$ 50,464)</u>
EXPENDITURES:				
General government	\$ 196,865	\$ 196,865	\$ 181,755	\$ 15,110
Streets	98,520	98,520	102,939	(4,419)
Police	331,915	331,915	294,277	37,638
Sanitation	105,000	105,000	117,933	(12,933)
Fire	17,200	17,200	7,623	9,577
Recreation, Senior Center and Library	23,300	23,300	22,940	360
Capital outlay	-	-	-	-
Total expenditures	<u>\$ 772,800</u>	<u>\$ 772,800</u>	<u>\$ 727,467</u>	<u>\$ 45,333</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ (5,131)	\$ (5,131)
Other financing sources (uses):				
Transfers in (out)			\$ 52,431	
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES			<u>47,300</u>	
FUND BALANCE - BEGINNING (AS ADJUSTED)			<u>47,145</u>	
FUND BALANCE - ENDING			<u><u>94,445</u></u>	

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF MARSHALLVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Business Type Activities Enterprise Fund Water and Sewer
Assets	
Current Position	
Cash and Cash Investments	\$31,428
Receivable (net of allowances for doubtful accounts)	19,902
Due from Other funds	63,049
Restricted Assets: Investments	29,119
Total Current Position	\$143,498
Capital Position:	
Land	\$3,650
Buildings	
Improvements other than Buildings-Water	1,722,831
Improvements other than Buildings-Sewer	2,323,910
Equipment	338,730
Accumulated Depreciation	(2,322,337)
Total capital Assets net of Accumulated Depreciation	2,066,784
Total Noncurrent Assets	2,066,784
Total Position	\$2,210,282
Liabilities	
Current Liabilities:	
Accounts Payable	\$5,500
Accrued Liabilities	0
Customer Deposits	53,296
Due from Other Funds	0
GEFA Loan Payable	0
Berkadia Payable	13,071
Total Current Liabilities	\$71,867
Noncurrent Liabilities:	
Berkadia Payable	\$83,313
GEFA Loan Payable	-
Total Noncurrent Liabilities	83,313
Total Liabilities	\$155,180
Net Position	
Net Investment in capital assets	\$1,970,400
Restricted-Investments	29,119
Unrestricted	55,583
Total Net Fund Balance	\$2,055,102

**CITY OF MARSHALLVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2020**

	Business Type Activities - Enterprise Funds Water and Sewer
OPERATING REVENUES:	
Charges for services:	
Water	\$198,189
Sewer	162,583
Connection fees for water & sewage system	5,135
Late fees	10,652
Miscellaneous	4,259
Total Operating Revenues	\$380,818
OPERATING EXPENSES:	
Salaries and wages	133,146
Payroll taxes	8,124
Supplies and parts	6,027
Maintenance of equipment and buildings	10,349
Maintenance of pumps and water tank	27,653
Gas and oil	6,704
Utilities & Telephone	39,772
Postage & Office	15,459
Chemicals	9,178
Laboratory fees	14,098
Insurance- Property & Other	16,752
Health Insurance	26,520
Contract	16,566
Uniforms	3,448
Miscellaneous	3,528
Dues & Advertising	656
Depreciation	60,000
Retirement	3,375
Total Operating Expenses	\$401,355
Operating income (loss)	(\$20,537)

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF MARSHALLVILLE, GEORGIA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2020

Continued

	Business Type Activities - Enterprise Funds Water and Sewer
NON-OPERATING REVENUES (EXPENSES):	
Intergovernmental revenue	-
Interest on revenue bonds	(6,332)
Interest Income	107
Total Non-Operating Income (Expenses)	<u>(6,225)</u>
Income (Loss) before transfers	<u>(26,762)</u>
CAPITAL CONTRIBUTION	
CDBG GRANT	-
SPLOST	26,976
Total Transfers In(out)	<u>26,976</u>
SPLOST	
Transfers	156,000
Total SPLOST	<u>156,000</u>
CHANGE IN NET POSITION	156,214
NET POSITION AT BEGINNING OF YEAR	<u>1,898,888</u>
NET POSITION AT END OF YEAR	<u><u>2,055,102</u></u>

CITY OF MARSHALLVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business Type Activities - Enterprise Funds Water and Sewer
Cash Flows From Operating Activities:	
Cash Received from Customers	\$383,231
Cash Payment to Suppliers and Services	(198,063)
Cash Payment to Employees for Services	(141,270)
Net Cash Provided (Used) by Operating Activities	43,898
Cash Flows From Non Capital Financing Activities:	
Increase Interfund Balances	(63,049)
Net Cash Provided (Used) by Non Capital Financing Activities	(63,049)
Cash Flows from Capital and Related Financing Activities:	
CDBG Grant-SPLOST	156,000
Decrease in Restricted Funds	31,471
Interest paid on GEFA & Berkadia Net	(10,827)
Retirement of GEFA	(187,898)
Retirement of Berkadia	(12,817)
Purchase of Equipment	(26,976)
Net cash provided (used) by Capital and Related Financing Activities	(51,047)
Cash Flow From Investing Activities:	
Interest on Cash and Investments	107
Net Cash Provided (Used) by Investing Activities	107
Net Increase (Decrease) in cash and Cash Investments	(70,091)
Cash and Cash Investments, July 1, 2019	\$130,638
Cash and Cash Investments, June 30, 2020	\$60,547

Disclosure of Accounting Policy:

For purposes of the Statement of Cash Flows, the City considers investment due in less than 90 days to be cash equivalents.

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF MARSHALLVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business Type Activities - Enterprise Funds Water and Sewer
Reconciliation of Income (Loss) from operations to net cash provided (used) by operating activities:	(29,603)
Income (loss) from Operations	
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Depreciation	60,000
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	2,413
Increase (decrease) in accounts payable	973
Increase (decrease) in customer deposits payable	1,049
Net cash provided (used) by operating activities	34,832

CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- A. The City of Marshallville, Georgia was originally incorporated under Georgia law on August 21, 1906, and was reincorporated on March 13, 1970 under the provisions of Act 1023, Georgia House Bill Number 1583. The City operates a Council - Mayor Form of government and provides the following services as authorized by its charter: public safety (police and fire), recreation, public improvements, planning and zoning and general administrative services. In addition, the City operates a public utility (water and sewer) for the incorporated area.

The accounting policies and the presentation of the financial report of the City of Marshallville have been designed to conform to generally accepted accounting principles as applicable to governmental units, in accordance with the Governmental Accounting Standards Board (GASB). GASB embodies the official pronouncements previously issued by the National Council on Governmental Accounting (NCGA): The City applies all applicable FASB pronouncements issued before November 30, 1989, in accounting and reporting for its proprietary operations. The following is a summary of the significant accounting policies:

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34. This Statement establishes new financial reporting requirements for state and local governments throughout the United States. Its implementation creates new information and restructures much of the information that governments have presented in the past. The GASB's intent is to make annual reports more comprehensive and easier to understand.

GASB 34 takes effect for entities the size of Marshallville, Georgia, during the fiscal year ending June 30, 2004. Some of the more significant changes in GASB Statement 34 incurred:

1. The presentation of a government-wide statement of net position that includes infrastructure (roads, bridges, etc.) and all debt.
2. The presentation of current and accumulated depreciation by activity.
3. The presentation of a government-wide statement of activities using full accrual accounting.
4. The presentation of the original adopted budget as well as the final amended budget in the budgetary comparison statements.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards include whether:

- (a) the organization is legally separate (can sue and be sued in their own name)
- (b) the City holds the corporate powers of the organization
- (c) the City appoints a voting majority of the organization's board
- (d) the City is able to impose its will on the organization
- (e) the organization has the potential to impose financial benefit/burden on the City
- (f) there is fiscal dependency by the organization on the City.

CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Financial Reporting Entity (continued)

The accounting policies of the City of Marshallville, Georgia, conform as far as practical to generally accepted accounting principles and applicable to governments. The following is a summary of the more significant policies:

Based on the aforementioned criteria, the city of Marshallville has no components units.

C. Basis of Presentation

The government-wide financial statements (the statement of net asset and the statement of changes in position assets) report information on all activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

When restricted and unrestricted resources are available for use, it is The City's policy to use restricted resources first, then unrestricted resources as they need them.

Fund Financial Statements:

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements: all non-major funds are aggregated and presented in a single column.

Governmental funds are those through which most governmental funds typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

General Fund –

General Fund is the main operating fund of the City. This fund is used to account for resources traditionally associated with governments which are not required to be accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

The Capital Improvement Funds-

The SPLOST Fund (SPLOST 2016-2022) and TSPLOST 2010-2022 is used to account for financial resources, including amounts collected from the special local option sales tax to be used in acquisition the of, construction of, or improvement to major capital facilities. (See pages 59-60)

The funds for the TSPLOST (pages 51-52) LMIG Fund (pages 53-54) are funds received from the state that are designated for special capital projects.

Water and Sewer Fund –

Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds. This is a major fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Measurement Focus/Basis of Accounting (continued)

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of Net Position and the operating statements present increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, the unrestricted resources as they are needed.

E. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements;

1. Prior to July 1, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the General and Enterprise Funds.
2. Public hearings are conducted at the City Hall to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of an ordinance.

CITY OF MARSHALLVILLE, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

E. Budgets and Budgetary Accounting (continued)

4. The management is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. All appropriations lapse at year end.
5. The budget is not incorporated into the accounting system; however, it is used and compared to actual receipts and disbursements to insure fiscal responsibility.

There were several areas where expenditures were in excess of appropriated budgeted amounts. There are various reasons for these, all of which the City is aware of. The general fund expenditures exceeded budgeted amounts by \$17,352. (See Financial Statements page 9).

Council is aware and has approved the variances; however, the budget was not formally amended.

The following departments had expenditures in excess of departmental appropriations:

General Government	\$0
Streets	4,419
Sanitation	12,933
Recreation, Senior Center and Library	0
	\$17,352

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriations, is not employed in the General Fund.

G. Deposits and Bank Balances

For purposes of the Statement of Cash Flows, the City considers investments due in less than 90 days to be cash equivalents.

At June 30, 2020, the bank account balance totaled \$387,136. Cash and time deposits include amounts in demand deposits, passbook savings as well as certificates of deposits. All cash is separately held and reflected in its respective fund. Cash equivalents are short term, highly liquid investments with a maturity date of three months or less that can be converted to known amounts of cash.

The City's deposit policy limits deposit choices to checking accounts, money market accounts and certificates of deposits with local banks. All deposits are to be secured as required by state statute. The statute requires the deposits to be multiplied by 110 percent.

The City's investment policy limits choices to investments complying with state statutes. These investments are limited to obligations of states, obligations issued by the U.S. government, obligations fully insured or guaranteed by the U.S. government, or by the government agency of the United States, obligations of any corporation of the U.S. government, the local government investment pool established by state law and obligations of other political subdivisions of the State of Georgia.

CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Custodial Risk – Custodial credit risk is such that in the event of a bank failure, the City’s deposits may not be returned to it. The City has a deposit policy for custodial credit risk.

H. Inventory

Expendable supplies are recorded as expenditures at the time items are purchased. The City does not record inventories of supplies on the books.

I. Receivables Due From Other Governments

There were no receivables due from other governments as of June 30, 2020, except for the June, 2020, payment of the local option sales tax.

J. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts.

Accumulated unpaid sick pay and other employee benefit amounts are not accrued in governmental funds (using the modified accrual basis of accounting). At June 30, 2020, unrecorded liabilities included approximately \$20,000 in vacation pay.

K. Comparative Data

Comparative total data for the prior years have been presented in the accompanying financial statements in order to provide an understanding of changes in the City’s financial position and operations. However, comparative (i.e. presentations of prior year totals by fund type) data has not been presented in each of the statements since the inclusion would make the statements unduly complex and difficult to read.

L. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements – Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

M. Property tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1, and payable on or before December 30. The City bills and collects its own property taxes. City property tax revenues are recognized when levied to the extent they result in current receivables.

The property tax millage rate of 13.80 was adopted by City Council on September 2019.

CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

N. LONG-TERM DEBT

During the month of May and June 2014, the City negotiated a reduction of principal and interest rates with Berkadia Commercial mortgage for the two long term notes.

Bond Series -1979

Principal balance at June 30, 2013 reduced from \$59,000 to \$45,500, annual payments reduced to \$4,325 and interest rates reduced to 2%

Bond Series -1982

Principal balance at June 30, 2013 reduced from \$189,000 to \$112,500, annual payments reduced to \$10,675 and interest rates reduced to 2%.

Payments on both loans are to resume on December 1, 2019.

The following is a summary of transactions of the City of Marshallville, Georgia, for the year ended June 30, 2020:

Balance at June 30, 2019	\$ 31,425	\$ 77,776
Payment /Adjustment	(3,697)	(9,120)
Balance at June 30, 2020	<u>\$ 27,728</u>	<u>\$ 68,656</u>

YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST AMOUNT-2%	TOTAL
6/30/2021	3,770	555	4,325
6/30/2022	3,845	479	4,324
6/30/2023	3,922	402	4,324
6/30/2024	4,001	324	4,325
6/30/2025	4,081	243	4,324
6/30/2026	4,162	162	4,324
6/30/2027	3,947	79	4,026
	<u>27,728</u>	<u>2,244</u>	<u>29,972</u>

YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST AMOUNT-2%	TOTAL
6/30/2021	9,301	1,374	10,675
6/30/2022	9,487	1,188	10,675
6/30/2023	9,677	998	10,675
6/30/2024	9,871	804	10,675
6/30/2025	9,983	692	10,675
6/30/2026	10,068	607	10,675
6/30/2027	10,269	405	10,674
	<u>68,656</u>	<u>6,068</u>	<u>74,724</u>

CITY OF MARSHALLVILLE, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

N. CHANGES IN LONG-TERM DEBT CONTINUED

On April 5, 2011, the City of Marshallville signed a note with GEFA in the amount of \$298,204.10 at a rate of 3.81 per annum, for a total of 240 monthly payments in the amount of \$2177.49. The balance at June 30, 2020 is \$0.

Balance at June 30, 2019	\$	187,898
Payment /Adjustment		(187,898)
Balance at June 30, 2020	\$	-

Interest paid during the Year ending at June 30, 2020 was \$4,147.

On March 6, 2020, the City of Marshallville signed a note with Drinking Water State Revolving Fund, Administered by Georgia Environmental Finance Authority (GEFA) DW2019027 in the amount of \$1,372,000 at a rate of 1.76 per annum, for a total of 180 monthly payments in the amount of \$2177.49. The balance at June 30, 2020 is \$13,720. Payment should start January 1, 2022.

Debt Service on the City's Debt:

YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST AMOUNT	TOTAL
6/30/2021	47,598	15,000	62,598
6/30/2022	51,933	15,000	66,933
6/30/2023	51,933	15,000	66,933
6/30/2024	51,933	15,000	66,933
6/30/2025	51,933	15,000	66,933
	255,330	75,000	330,330

LINE OF CREDIT

The City has a line of credit with Sunmark Bank on June 30, 2020 in the amount of \$50,000.

	GENERAL PROPRIETARY	
Balance 7-01-19	-	-
Payments-Advances	-	-
Balance 6-30-20	-	-

The purpose of the line of credit is to meet current operating expenses.

CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

O. PENSION PLAN

The City has a trusted contributory pension plan which covers substantially all regular employees. The plan is funded through payments to the Joint Municipal Employees' Retirement System.

Pension costs for the various funds for fiscal years ending June 30, 2020, and 2019 were as follows:

	<u>2020</u>	<u>2019</u>	
General	\$ 23,968	\$ 20,030	
Water and Sewer	\$ 3,375	\$ 7,813	
	\$ 27,343	\$ 27,843	

P. CONTINGENT LIABILITIES:

The City is unaware of any amounts for which it is contingently liable at June 30, 2020.

Q. COMPLIANCE WITH LEGAL PROVISIONS:

A. State Laws

Budgets - The City was in compliance with Title 36, Chapter 81, Sections 3-6 of the official code of Georgia Annotated (OGGA) which requires adoption of balanced budgets.

R. INTERFUND RECEIVABLES AND PAYABLES:

During the course of normal operations, numerous transactions take place between funds such as expenditures and transfers of resources to provide services, service debt or construct assets. These interfund transactions are not eliminated and no interest is charged on such advances. Interfund receivables and payables balance at June 30, 2020 were:

<u>FUND</u>	<u>RECEIVABLES</u>	<u>PAYABLE</u>	
General Fund	63,049	-	
Proprietary Fund	-	63,049	
	63,049	63,049	

S. EXCESS OF REVENUES AND EXPENDITURES OVER APPROPRIATIONS:

All funds operated by the City of Marshallville had the following revenues and expenditures for the year ended June 30, 2020.

General Fund	Revenues	\$722,336
	Expenditures	(\$727,467)
Proprietary Fund	Revenues	\$380,925
	Expenditures	(\$407,687)

The nature of these funds lends itself to budget variances. The excess expenditures were funded with prior year's cash, or borrowed funds.

The deficit in the general fund is the results of over spending due to increase costs in maintenance and fuel and not budgeting for Capital Outlay.

**CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

T. Net Investment in Capital Assets

Net position represent the difference between assets and liabilities. Net investment 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 or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws and regulations of other governments.

U. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or established historical cost if actual history is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over three years of useful life. Infrastructure assets capitalized have an original cost of \$250,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20-50 Years
Utility System	30-50 Years
Infrastructure	20-50 Years
Machine and Equipment	3-15 Years

**CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance July 1	Additions/ Completions	Retirements/ Adjustments	Balance June 30
Government Activities:				
Capital assets not being depreciated				
Land and Construction in progress	\$3,000	\$0	\$0	\$3,000
Total Capital Assets not being depreciated	<u>\$3,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,000</u>
Infrastructure	574,534		0	574,534
Buildings	1,564,925		0	1,564,925
Equipment	597,352	52,431	0	649,783
Total Capital Assets being Depreciated	<u>\$2,736,811</u>	<u>\$52,431</u>	<u>\$0</u>	<u>\$2,789,242</u>
Less Accumulated depreciation for:				
Infrastructure	\$10,656	\$888	\$0	\$11,544
Buildings	96,172	4,801	0	100,973
Equipment	211,132	18,000	0	229,132
Total Accumulated Depreciation	<u>317,960</u>	<u>23,689</u>	<u>0</u>	<u>\$341,649</u>
Total Capital Assets, being deprec.	<u>\$2,418,851</u>	<u>\$28,742</u>	<u>\$0</u>	<u>\$2,447,593</u>
Government Activities, Capital Assets, net	<u><u>\$2,421,851</u></u>	<u><u>\$28,742</u></u>	<u><u>\$0</u></u>	<u><u>\$2,450,593</u></u>
Business-type Activities:				
Capital assets not being depreciated	\$0	\$0	\$0	0
Land	3,650	0	0	3,650
Total Capital Assets not being depreciated	<u>\$3,650</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,650</u>
Capital Assets being depreciated				
Buildings and Improvements	\$4,019,765	\$26,976		\$4,046,741
Equipment	338,730	0	0	\$338,730
Total Capital Assets being depreciated	<u>\$4,358,495</u>	<u>\$26,976</u>	<u>\$0</u>	<u>\$4,385,471</u>
Less: Accumulated Depreciation for:				
Buildings	\$2,036,490	\$48,000	0	\$2,084,490
Equipment	225,847	12,000	0	\$237,847
Total Accumulated Depreciation	<u>\$2,262,337</u>	<u>\$60,000</u>	<u>\$0</u>	<u>\$2,322,337</u>
Total Capital Assets, being deprec., net	<u>\$2,096,158</u>	<u>(\$33,024)</u>	<u>\$0</u>	<u>\$2,063,134</u>
Business-type activities assets, net	<u><u>\$2,099,808</u></u>	<u><u>(\$33,024)</u></u>	<u><u>\$0</u></u>	<u><u>\$2,066,784</u></u>

**CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Depreciation Expense was charged to Program/Functions of the Primary Government as follows:

Program Activities:	
Executive and Administrative	\$4,801
Public Safety- Police	7,483
Public Safety- Fire	10,517
Public Works- Streets, Parks and Cemetery	888
Recreation	0
	<u>\$23,689</u>
Business- type Activities:	
Water and Sewer	
Plant and Equipment	<u>\$60,000</u>

The City made an inventory of its governmental activities' capital assets at June 30, 2003. Capital assets were adjusted for this inventory and for a change in its capital asset policy. Because of the above, governmental activities' capital assets at June 30, 2003, will not agree with the previously released financial statements for June 30, 2003.

V. DEFINED BENEFIT PENSION PLAN:

Plan Description and Benefits Provided

The city contributes as a participant to the Georgia Municipal Employees Benefit System (the system), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association. The System's Retirement Plan is a defined benefit plan that provides retirement, disability benefits and death benefits to plan members and beneficiaries. GMEBS handles all administration and investment functions related to the plan. All full-time city employees are eligible to participate in the plan. Benefits vest after ten years of service. Members may retire upon reaching the age of 65, with five years of service. Early retirement is possible upon reaching the age of 55, with 25 years of service, or 10 years on a reduced basis. Benefits are calculated at 1.0% to 1.75% of the average monthly earnings for the period of the five highest years prior to retirement.

The Public Retirement Systems Standard Law (Georgia Code Section 47-20-10) assigned the authority to establish and amend the plan to the City of Marshallville. The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Georgia Municipal Employees Benefit System, 201 Pryor Street, S.W., Atlanta, Georgia 30303.

CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

V. DEFINED BENEFIT PENSION PLAN: (continued)

Contributions

The plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet the applicable state funding standards. Under the City's pension plan, the City makes 100% of the contributions to the plan. The contractually required contributions, which are actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

The amount recognized by the City of Marshallville, Georgia as the net pension liability is as follows:

Governmental Activities	<u>\$92,607</u>
Total Net Pension Liability	<u>\$92,607</u>

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

The net pension liability was measured as of September 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The city's net pension liability was based on the projection of the City's long-term contributions to the pension plan.

The numbers shown in Exhibit 1 are based on a September 30, 2019 measurement date which would make them applicable to the fiscal year beginning July 1, 2019 and ending June 30, 2020.

**CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

V. DEFINED BENEFIT PENSION PLAN (continued)

Exhibit 1- Net Pension Liability

A. Changes in the Net Pension Liability			
	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at September 30, 2018*	\$ 373,047	\$ 287,976	\$ 85,071
Changes for the year:			
Service cost	7,407	-	7,407
Interest	27,511	-	27,511
Differences between expected and actual experience	(8,737)	-	(8,737)
Contributions-employer	-	30,723	(30,723)
Contributions-employee	-	-	-
Net investment income	-	8,459	(8,459)
Benefit Payments, including refunds of employee contributions	(27,289)	(27,289)	-
Administrative expense	-	(7,546)	7,546
Other	13,191	-	13,191
Net changes	\$ 12,083	\$ 4,347	\$ 7,736
Balances at September 30, 2019**	\$ 385,130	\$ 292,323	\$ 92,807
B. Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
	1% Decrease (6.375)	Current Discount Rate (7.375%)	1% Increase (8.375%)
	\$ 131,213	\$ 92,807	\$ 60,498

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

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

Actuarial assumptions

The total pension liability as of June 30, 2019 was determined by an actuarial valuation as of January 1, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Cost of living adjustment	0%	
Salary increases	2.75%	Plus service based merit increases
Investment rate of return	7.375%	

Mortality rates were based on the RP-2000 Combined Mortality Table. Disability rates were based on RP-2000 Disabled Retiree Mortality Table. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investments 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.

**CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

V. DEFINED BENEFIT PENSION PLAN (continued)

The guidelines for asset allocation are as follows:

Asset allocation	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.41%
International equity	20%	6.96%
Real estate	10%	4.76%
Global fixed income	5%	3.00%
Domestic fixed income	20%	1.96%
Cash	<u>0%</u>	
Total	100%	
Discount rate		

The discount rate used to measure the total pension liability was 7.375 %. The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as the forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. 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 plan members. 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.

Exhibit 2 - Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

A. Pension expense for the year ended June 30, 2020

Service Cost	\$ 7,407
Interest on TPL	27,511
Employee contributions	-
Administrative expenses	7,546
Expected return on assets	(21,444)
Expensed portion of current year period differences between expected and actual experience in TPL	(2,185)
Expensed portion of current year period assumption changes	3,297
Current year plan changes	-
Expenses portion of current year period differences between projected and actual investment earnings	2,597
Current year recognition of deferred inflows and outflows established in prior years	716
Total expense	\$ 25,445

B. Deferred outflows/inflows of resources related to pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,006	(9,936)
Changes in assumptions	11,300	
Net difference between projected and actual earnings on pension plan investments		(2,132)
Total	<u>\$ 18,306</u>	<u>(12,068)</u>

**CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

V. DEFINED BENEFIT PENSION PLAN (continued)

Exhibit 2 - Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

C. Projected recognition of Deferred Outflows, Inflows of Resources Related to Pensions

	Year Established	Outstanding Balance at July 1, 2019	Amount Recognized During FYE June 30, 2020	Outstanding Balance at June 30, 2020
Fiscal Year Outflows:				
Demographic	2016	7,786	\$ 3,893	\$ 3,893
Demographic	2018	6,226	3,113	\$ 3,113
Total Outflows		<u>14,012</u>	<u>\$ 7,006</u>	<u>\$ 7,006</u>
Fiscal Year Inflows:				
Demographic	2017	(2,628)	(2,628)	0
Demographic	2019	(5,076)	(1,692)	(3,384)
Demographic	2020	(8,737)	(2,185)	(6,552)
Total Inflows		<u>(16,441)</u>	<u>(6,505)</u>	<u>(9,936)</u>
Total		<u>(2,429)</u>	<u>\$ 501</u>	<u>\$ (2,930)</u>

Deferred Outflows/(Inflows) recognized in Future Years

	2021	2022	2023	2024	2025	2026 and Thereafter
Fiscal Year Outflows:						
Demographic	3893	-				
Demographic	3,113	-		3,893		-
Total Outflows	<u>\$ 7,006</u>	<u>\$ -</u>		<u>\$ 3,893</u>	<u>\$ -</u>	<u>\$ -</u>
Fiscal Year Inflows:						
Demographic	\$(1,692)	\$ (1,692)				
Demographic	\$(2,184)	\$ (2,184)	\$ (2,184)			
Total Inflows	<u>\$ (3,876)</u>	<u>\$ (3,876)</u>	<u>\$ (2,184)</u>	<u>\$ -</u>		
Total	<u>\$ 3,130</u>	<u>\$ (3,876)</u>	<u>\$ (2,184)</u>			

Participant Data

As of December 31, 2019, the date of the latest actuarial valuation study, employee membership data related to the current plan membership was as follows:

Retirees and beneficiaries currently receiving benefits	6
Terminated employees entitled to benefits but not yet receiving them	5
Current active employees	<u>13</u>
Total membership in the plan	<u>21</u>

CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

V. DEFINED BENEFIT PENSION PLAN (continued)

Funding Policy

The city's policy is to contribute the actuarially determined amount as recommended by GMEBS. The city makes all contributions to the Plan. The city is required to contribute at an actuarially determined rate; the current rate is 8.75% of annual covered payroll. The contribution requirements of plan members and the city are established and may be amended by the GMEBS Board of Trustees. Plan participants do not contribute to the plan.

Annual Pension Cost

For the year ended June 30, 2020, the city's annual pension cost was \$ 30,723 for the plan. Recommended contributions of \$ 29,340 and \$ 27,344 were determined as part of the January 1, 2020 and January 1, 2019 actuarial valuations, respectively, using the projected unit credit actuarial cost method.

W. GRANTS:

The city received one new grant for the year ended June 30, 2020.

Community Development Block Grant 19p-x-096-2-6076:

No Activity for the Year Ending June 30, 2020. The Activity will begin July 1, 2020.

X. RISK MANAGEMENT:

The Government is exposed to various risks of losses related to torts, thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Government has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

**CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

X. RISK MANAGEMENT (continued):

As part of these risk pools, the Government is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's 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 Government is also to allow the pool's agents and attorneys to represent the Government in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Government within the scope of loss protection furnished by the funds.

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

Settled claims in the past three years have not exceeded the coverage.

The City of Marshallville retains the first \$1,000 of each risk of loss in the form of a deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to \$1,000 deductible.

The following is a list of the insurance coverage that the City of Marshallville has as of JUNE 30, 2018.

Written through Georgia Interlock Risk Management Agency (GIRMA)

COVERAGE DESCRIPTION — PROPERTY:

Buildings and Contents	\$1,427,158
Automobile Physical Damage	Per Application on file with GIRMA

COVERAGE DESCRIPTION - CASUALTY:

Comprehensive General Liability and Law Enforcement Liability	\$1,000,000
Automobile Liability	\$1,000,000
Errors and Omissions (Public Official) Liability	\$1,000,000
Employees Benefits Liability	\$1,000,000

COVERAGE DESCRIPTION -CRIME:

Blanket Bond	\$500,000
Depositors Forgery	\$500,000
Money and Securities - Loss Inside the Premises	\$500,000
Money and Securities - Loss Outside the Premises	\$500,000

DEDUCTIBLE: All coverage are subject to a per occurrence deductible of \$1,000

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia, the City of Marshallville became a member of the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The effective date of membership was May 22, 1985. The liability of the fund to the employees of any employer (the City) is specifically limited to such obligations as

CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

X. RISK MANAGEMENT: (Continued)

are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Y. JOINT VENTURE:

Under Georgia law, the County, in conjunction with other city and counties in the West Central Georgia area, is a member of the River Valley Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended June 30, 2019 , the city was billed approximately \$1,800 in such dues. Membership in RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from:

River Valley Regional Development Center
228 West Lamar Street
Americus, Georgia 31709

Z. FUND EQUITY AND FUND BALANCE

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, the fund balance represents the difference between the current assets and the current liabilities. This is the first year the city is using the fund balance class of GASB 54. GASB 54 has established five categories of fund balance for governmental type funds. The five classes of fund balance are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

**CITY OF MARSHALLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Nonspendable- include prepaid items, inventory, long-term notes receivable and permanent funds.

Restricted- constrained by external parties or enabling legislation.

Committed- constrained for a specific purpose by the government, highest level of decision making authority.

Assigned-constrained for a specific purpose but is limited by the amount of unassigned.

Unassigned- not classified as one of the above.

	<u>6/30/2019</u>	<u>Change</u>	<u>6/30/2020</u>
Fund Balances:			
Restricted Construction of capital assets	262,528	(77,044)	185,484
Unassigned:	<u>48,598</u>	<u>38,267</u>	<u>86,865</u>
Total:	<u><u>311,126</u></u>	<u><u>(38,777)</u></u>	<u><u>272,349</u></u>

21. INTERFUND TRANSFERS

Transfers as of June 30, 2020 is listed as follows:

	Debit	Credit
SPLOST		182,976
Proprietary	<u>182,976</u>	
	<u><u>182,976</u></u>	<u><u>182,976</u></u>

22. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 15, 2020 which is the date these financial statements were available to be issued.

HERBERT E. ALLEN

CERTIFIED PUBLIC ACCOUNTANT

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AMERICUS, GEORGIA 31709

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Member of the American Institute of
Certified Public Accountants

Member of the Georgia Society of
Certified Public Accountants

Member of the Florida Institute
Of Certified Public Accountants

October 15, 2020

**INDEPENDENT AUDITORS 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
AND THE RELATED NOTES TO THE FINANCIAL STATEMENTS**

Honorable Mayor and City Council
City of Marshallville
Marshallville, Georgia 31057

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of Marshallville, Georgia, as of and for the year ended June 30, 2019, which collectively comprise the Marshallville, Georgia's basic financial statements and have issued our report thereon dated October 15, 2020 and the related notes to the financial statements. 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.

Internal Control over Financial Reporting

Management of Marshallville, Georgia, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Marshallville, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marshallville, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Marshallville, Georgia's internal control over financial reporting.

A deficiency in internal controls 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, and therefore material weakness or significant deficiencies may exist that were not identified. We considered the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency.

Reportable Condition:

- (1) The City of Marshallville will monitor receipts and disbursements as they compare to budget, and modify the budget if changes are significant.

The City agrees with the above findings and will do the following:

- (1) The City of Marshallville will effectively monitor receipts and disbursements as they compare to budget, and modify the budget if changes are significant.
- (2) The City agrees with the above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Marshallville, Georgia's financial statements are free of 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*.

Marshallville, Georgia's Responses to Findings

We did not audit Marshallville, Georgia's responses and, accordingly, we express no opinion on it.

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.



HERBERT E. ALLEN, CPA
Americus, Georgia

SUPPLEMENTAL INFORMATION

**CITY OF MARSHALLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUE BY DEPARTMENT - ACTUAL AND BUDGETED
FOR FISCAL YEARS ENDING JUNE 30, 2020 AND 2019**

	2020		VARIANCE- FAVORABLE UNFAVOR- ABLE	2019
	BUDGET	ACTUAL		ACTUAL
TAXES:				
Property Tax	\$173,500	\$178,855	\$5,355	\$159,268
Intangible Tax	500	658	\$158	144
FIFA Charges	200		(\$200)	205
Interest Charges	2,000	13	(\$1,987)	0
Franchise Tax	20,000	10,562	(\$9,438)	8,745
Alcohol Tax	13,600	13,023	(\$577)	13,160
Local option sales tax	135,000	139,523	\$4,523	136,688
Real Estate Transfer Tax	100	249	\$149	146
Public Utilities Tax	38,000	37,899	(\$101)	37,624
Vehicle Tax	6,000	5,276	(\$724)	5,800
Mobile Home Tax	1,700	546	(\$1,154)	1,297
Insurance premium Tax	106,000	110,548	\$4,548	103,785
Ad Valorem Taxes	30,350	14,776	(\$15,574)	30,204
Safety Grant			\$0	0
Railroad Equipment Ad Valorem	1,200		(\$1,200)	1,407
Police Grant			\$0	0
Pay in Lieu of Tax (Pilot)	8,300	8,116	(\$184)	8,298
	<u>\$536,450</u>	<u>\$520,043</u>	<u>(\$16,407)</u>	<u>\$506,770</u>
LICENSES AND PERMITS:				
Business Licenses	15,000	13,744	(1,256)	14,869
Business Penalties	\$0		\$0	\$0
Building Permits	4,100	4,461	\$361	4,271
	<u>\$19,100</u>	<u>\$18,205</u>	<u>(\$895)</u>	<u>\$19,139</u>
INTERGOVERNMENTAL REVENUE:				
Grant	0		0	0
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CITY OF MARSHALLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUE BY DEPARTMENT - ACTUAL AND BUDGETED
FOR FISCAL YEARS ENDING JUNE 30, 2020 AND 2019

	2020		VARIANCE- FAVORABLE UNFAVOR- ABLE	2019
	BUDGET	ACTUAL		ACTUAL
CHARGES FOR SERVICES:				
Garbage Fees	\$140,000	126,921	(\$13,079)	\$128,781
	<u>\$140,000</u>	<u>\$126,921</u>	<u>(\$13,079)</u>	<u>\$128,781</u>
FINES AND FORFEITURES	\$59,950	\$33,971	(\$25,979)	\$26,964
	<u>\$59,950</u>	<u>\$33,971</u>	<u>(\$25,979)</u>	<u>\$26,964</u>
OTHER:				
Bond Fee	\$ -	-	\$ -	\$ -
Report Fees	100	390	(290)	25
Court Fee			-	
Interest Earned	-		-	20
Rent Revenue	3,100	1,250	1,850	2,500
Cemetery Lots Purchase	900	1,050	(150)	300
Title Ad Valorem	-		-	-
Miscellaneous Revenues	12,800		12,800	3,467
Donations	-	11,142	(11,142)	4,017
Library Donations/Fines	-		-	-
Fax & Copies	100	137	(37)	6
Qualification Fees	-	180	(180)	-
Other Revenue	-	9,047	(9,047)	1,350
Service Charge-Return Check			-	
Macon County Grant-Fire			-	
Railroad Equipment			-	
Rental Fees - Senior Center	300		300	250
	<u>\$17,300</u>	<u>23,196</u>	<u>\$ 5,896</u>	<u>\$11,935</u>
Total Revenues	<u>\$772,800</u>	<u>\$722,336</u>	<u>(\$50,464)</u>	<u>\$693,590</u>

CITY OF MARSHALLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - ACTUAL AND BUDGETED
FOR FISCAL YEARS ENDING JUNE 30, 2020 AND 2019

	2020		VARIANCE- FAVORABLE (UNFAVOR- ABLE)	2019
	BUDGET	ACTUAL		ACTUAL
GENERAL GOVERNMENT:				
Salaries and Wages-Employees	33,700	33,641	59	\$ 33,888
Council's Salary	12,000	11,600	400	12,000
Mayor's Salary	5,500	5,599	(99)	6,250
Unemployment Tax	50	32	18	48
Social Security Tax/ Medicare	3,800	3,773	27	3,897
Election Cost			-	-
Retirement GMEBS-Admin. Fees	7,400	8,354	(954)	5,890
Health and Life Insurance	10,392	10,392	-	13,396
Property Insurance	30,500	30,483	17	32,948
Liability Insurance			-	
Miscellaneous	73	504	(431)	804
Workers Compensation	4,300	2,778	1,522	4,333
RDC Service	1,600	1,279	321	1,807
GMA Dues	1,400	887	513	955
Other Dues/ Subscriptions	150	983	(833)	157
Macon County Chamber Dues	1,600	1,400	200	1,600
Office Supplies	5,000	5,862	(862)	7,074
Cleaning Supplies	100	58	42	243
Equipment Purchase/ Repairs	800	288	512	362
Senior Center Repairs	150		150	-
Uniforms			-	-
Municipal Judge	4,900	2,319	2,581	4,900
Legal Retainer Fees	1,800	3,011	(1,211)	2,286
Accounting	10,050	10,375	(325)	19,320
Payroll Accounting Svc.	3,500	3,996	(496)	3,566
Electricity 1/2 GF & WF	3,450	3,076	374	3,413
Telephone	6,000	5,789	211	6,359
Postage	200	586	(386)	263
Safe Deposit Rental	100	100	-	100
Employee development/ training	7,000	5,408	1,592	7,840
Software Service	18,000	19,176	(1,176)	32,053
Building Maintenance			-	-
Travel, meals and lodging	7,000	7,374	(374)	9,065
Utilities			-	
Copier Maintenance - \$51/mo,	2,500		2,500	-
Copier Lease - \$224.61/ 1/2 PD / 2 WF	700	3,443	(2,743)	3,076
Vehicle Maintenance			-	241
Computer Software			-	
Contract Labor			-	

**CITY OF MARSHALLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - ACTUAL AND BUDGETED
FOR FISCAL YEARS ENDING JUNE 30, 2020 AND 2019**

	2020 BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVOR- ABLE)	2019 ACTUAL
GENERAL GOVERNMENT CONTINUED:				
Advertising	\$ 2,000	3,612	(1,612)	\$ 1,341
Election Expense			-	
Tax Digest and Support			-	
Other Expenses-Admin	6,100	5,640	460	414
Returned checks				140
Bank Service Charges	100	35	65	-
Interest Expense on Loans				
Building inspector	1,100	2,529	(1,429)	1,243
Other Supplies - Admin			-	895
Contributions/Donations	200	40	160	154
Senior Citizens Center	2,650	1,931	719	2,841
Adjustment to Reconcile Marshallville Comm. Center		(14,599)		
Contingency Fund	1,000		1,000	-
TOTAL:	\$ 196,865	181,755	\$ 510	\$ 225,161
STREETS:				
Salaries and Wages	23,700	26,333	(2,633)	24,430
Social Security Tax/Medicare	1,850	2,014	(164)	1,819
Health and Life Insurance	8,952	8,952	-	9,567
Workmen's Comp./Unemployment	18	9	9	16
Equipment purchases/maintenan	1,300	8,380	(7,080)	453
Street signs	500	348	152	-
Gas & Oil	2,000	3,387	(1,387)	760
Supplies, parts, and repairs	2,500	1,812	688	2,907
Liability Insurance			-	
Capital Outlay			-	
Auto Liability Insurance			-	
Christmas Decorations	1,800	1,995	(195)	1,151
Electricity (Street Lights)	47,400	37,352	10,048	45,602
Lawn mower maintenance	1,300	822	478	1,883
Retirement GMEBS	5,375	4,958	417	4,696
Vehicle Maintenance			-	
Street Maint. Cleaning	800	372	428	274
Decorations, Planning, Beautifica	300	5,942	(5,642)	540
Miscellaneous	625		625	
Golf Cart Maintenance	100	262	(162)	361
Garbage Fees (Crisp Co)	105,000	117,933	(12,933)	106,648
	203,520	220,872	(17,352)	201,107

**CITY OF MARSHALLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - ACTUAL AND BUDGETED
FOR FISCAL YEARS ENDING JUNE 30, 2020 AND 2019**

	2020		VARIANCE- FAVORABLE (UNFAVOR- ABLE)	2019 ACTUAL
	BUDGET	ACTUAL		
POLICE:				
Salaries and Wages	217,000	192,681	24,319	206,160
Social Security Tax/Medicare	16,100	14,568	1,532	15,340
Informer Fee	400		400	-
Uniforms	500	3,168	(2,668)	775
Office supplies/repairs	1,000	1,566	(566)	2,424
Postage		110	(110)	50
Cleaning supplies		350	(350)	246
Gas and oil	13,500	8,426	5,074	13,864
Health & Life Insurance	24,000	19,664	4,336	22,763
Auto Liability			-	
Misc/Other Expense	11,800	7,533	4,267	8,985
Workmen's Compensation	8,500	5,704	2,796	7,893
Liability Insurance			-	1,000
Property Liability/ Insurance			-	
Crime Liability			-	
Telecommunication Ser.	2,300	1,875	425	1,578
Building Maintenance	200	220	(20)	
Telephone	7,300	7,406	(106)	7,982
Vehicle Maintenance	4,000	3,632	368	2,595
Employee training and develop.	900	3,327	(2,427)	1,450
Equipment Purchase/Maint	3,200	917	2,283	-
Copier			-	-
Copier Maintenance	1,700	1,372	328	1,712
Dues and subscriptions		55	(55)	125
Advertisement	100	428	(328)	52
Travel, lodging, meals	2,400		2,400	-
Prisoner Expense	500	400	100	480
Public Safety	1,000	889	111	937
Drug Screen/Oth Expense	100	132	(32)	44
Retirement GMES	11,000	10,656	344	9,445
Unemployment	200	167	33	166
Mileage		1,232	(1,232)	2,739
Utilites - Electricity	4,215	7,801	(3,586)	8,005
TOTAL	\$ 331,915	294,277	\$ 37,638	\$ 316,808

CITY OF MARSHALLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - ACTUAL AND BUDGETED
FOR FISCAL YEARS ENDING JUNE 30, 2020 AND 2019

	2020 BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVOR- ABLE)	2019 ACTUAL
FIRE:				
Salaries	3,900	-	3,900	-
Insurance				
Supplies		72	(72)	-
Equipment purchases	200	117	83	-
Gas & oil	300	522	(222)	453
Heating gas			-	-
Vehicle Maintenance		108	(108)	592
Maintenance — fire truck & station			-	-
Equipment Repairs	100	120	(20)	-
Electricity	800	823	(23)	1,014
Emp. Training & Development			-	-
Cleaning Supplies	200		200	-
Workers Compensation			-	-
Auto Insurance			-	-
Auto Liability			-	-
Property Liability			-	-
Travel, Meals & Lodging			-	-
Social Security			-	-
Dues			-	-
Telecommunication			-	-
Uniforms			-	-
Macon County Fire Equipment Gra	11,700	5,862	5,838	11,724
TOTAL	\$ 17,200	7,623	9,577	\$ 13,783
RECREATION:				
Equipment Purchase			-	-
Rec. Supplies/Parts	1,100	266	834	695
Equipment Repairs			-	-
Gas & Oil			-	-
Auto Liability			-	-
Auto Physical Liability			-	-
Property Liability			-	-
Electricity	300		300	-
Vehicle Maintenance			-	-
Recreation Maintenance			-	-
TOTAL	\$ 1,400	266	1,134	\$ 695

CITY OF MARSHALLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - ACTUAL AND BUDGETED
FOR FISCAL YEARS ENDING JUNE 30, 2020 AND 2019

	2020		VARIANCE- FAVORABLE (UNFAVOR- ABLE)	2019
	BUDGET	ACTUAL		ACTUAL
LIBRARY:				
Salaries	15,350	14,888	462	15,268
Social Security Tax	1,125	1,088	37	1,117
Unemployment Tax	25	10	15	16
Insurance				
Postage Box Rent	100	94	6	92
Workers Compensation			-	-
Equipment Purchase			-	-
Supplies	750	797	(47)	826
Utility Bill	3,950	5,698	(1,748)	4,240
Operating Expenditures	600	100	500	466
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	\$ 21,900	22,674	(774)	\$ 22,026
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TRANSFERS			-	\$ (1,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENDITURES:	\$ 772,800	727,467	\$ 30,733	\$ 778,579
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(5,131)		
Other financing sources (uses):				
Transfers in (out)		<u>52,431</u>		
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	-	47,300		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE - BEGINNING (AS ADJUSTED)		47,145		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE - ENDING	-	<u>94,445</u>		

The accompanying notes to the financial statements are an integral part of this statement.

HERBERT E. ALLEN

CERTIFIED PUBLIC ACCOUNTANT

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Certified Public Accountants

Member of the Florida Institute
Of Certified Public Accountants

October 15, 2020

INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

Honorable Mayor and City Council

City of Marshallville
Marshallville, Georgia 31057

Gentlemen:

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Marshallville, Georgia, for the year ended June 30, 2020. This schedule is the responsibility of the City of Marshallville's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax 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 Schedule of Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax is prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1 and is not intended to be a complete presentation of the City of Marshallville's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current and prior year expenditures for each project of the City of Marshallville for the year ended June 30, 2020, in conformity with accounting principles generally accepted in the United States of America.



HERBERT E. ALLEN, CPA

CITY OF MARSHALLVILLE, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR FISCAL YEAR ENDING JUNE 30, 2019

	<u>EXPENDITURES</u>				ESTIMATED PERCENTAGE OF COMPLETION
	ORIGINAL ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	
	Special Option Sales Tax - 2006 - 2010				
Capital Outlay-					
Public Safety Facility	-	41,322	-	41,322	
City Hall	-	9,904	-	9,904	
Roads, streets, side-walks & drainage	54,240	71,892	-	71,892	132.54%
Patrol Cars (3)	72,000	91,165	-	91,165	126.62%
Truck & Trailer-Rec. & Street Dept.	23,200	-	-	-	
Sleepy Hollow Rd. improvement	264,858	94,496	-	94,496	35.68%
Water & sewer service	40,000	220,672	-	220,672	551.68%
Water Tank repair/replacement system & equip.	22,100	125,569	-	125,569	568.19%
	<u>476,398</u>	<u>655,020</u>	<u>-</u>	<u>655,020</u>	
Special Option Sales Tax - 2010-2016					
Capital Outlay for the purchase of an informational system and other equipment for the Public Safety Building and City Hall	100,000	56,904	-	56,904	56.90%
Capital Outlay for citywide water and sewage improvements/upgrade	275,000	212,834	-	212,834	77.39%
Capital Outlay for citywide improvements on roads, streets and drainage where needed	120,000	81,547	-	81,547	67.96%
Capital Outlay for the purchase of three(3) police cars and various equipment	120,000	163,377	-	163,377	136.15%
Capital Outlay for improvement to City Hall and Senior Center	70,000	80,071	-	80,071	114.39%
Capital Outlay for Julius Rice's Recreation Complex improvements and upgrades	40,000	-	-	-	0.00%
Library and Firestation	5,876	5,070	-	5,070	86.28%
TOTAL	<u>730,876</u>	<u>599,803</u>	<u>-</u>	<u>599,803</u>	

CITY OF MARSHALLVILLE, GEORGIA
 SCHEDULE OF PROJECTS CONSTRUCTED
 WITH SPECIAL SALES TAX PROCEEDS
 FOR FISCAL YEAR ENDING JUNE 30, 2020

	EXPENDITURES			TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
	ORIGINAL ESTIMATED COST	PRIOR YEARS	CURRENT YEAR		
Special Option Sales Tax - 2016 - 2022					
Capital Outlay-					
Capital Improvements/upgrade and equipment for citywide water, sewer, streets and drainage	350,000	10,987	7,564	18,551	5.3%
Building and facility improvements for City Hall, Library, Senior Citizen Center and Recreation	175,000	17,769	1,767	19,536	11.2%
Capital Outlay for the purchase equipment and Vehicles of Water, Public works, public safety, administration and recreation	132,000	42,538	62,789	105,327	79.8%
TOTAL	657,000	71,294	72,120	143,414	

CITY OF MARSHALLVILLE, GEORGIA
T SPLOST
BALANCE SHEET
FOR YEAR ENDING JUNE 30, 2020

	2020	2019
<u>ASSETS</u>		
Cash	\$ 113,810	\$ 86,671
TOTAL ASSETS	\$ 113,810	\$ 86,671
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	-	-
Deferred revenue		
TOTAL LIABILITIES	\$ -	\$ -
<u>FUND BALANCE</u>		
Fund Balance	\$ 113,810	\$ 86,671
TOTAL FUND BALANCE	\$ 113,810	\$ 86,671
TOTAL LIABILITIES AND FUND BALANCE	\$ 113,810	\$ 86,671

CITY OF MARSHALLVILLE, GEORGIA
T SPLOST
STATEMENT OF REVENUES AND EXPENDITURES
FOR YEAR ENDING JUNE 30, 2020

	<u>2020</u>	<u>2019</u>
<u>REVENUES</u>		
Intergovernmental Revenues	\$ 27,139	\$ 26,019
TOTAL REVENUES	<u>\$ 27,139</u>	<u>\$ 26,019</u>
<u>EXPENDITURES</u>		
STREET DEPT	<u>-</u>	<u>4,981</u>
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 4,981</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 27,139</u>	<u>\$ 21,038</u>
FUND BALANCE AT June 30, 2019	<u>\$ 86,671</u>	<u>\$ 65,633</u>
FUND BALANCE AT June 30, 2020	<u><u>\$ 113,810</u></u>	<u><u>\$ 86,671</u></u>

CITY OF MARSHALLVILLE, GEORGIA
 LMIG
 BALANCE SHEET
 FOR YEAR ENDING JUNE 30, 2020

	2020	2019
<u>ASSETS</u>		
Cash	\$ 22,442	\$ 19,729
TOTAL ASSETS	\$ 22,442	\$ 19,729
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	-	-
Deferred revenue		
TOTAL LIABILITIES	\$ -	\$ -
<u>FUND BALANCE</u>		
Fund Balance	\$ 22,442	\$ 19,729
TOTAL FUND BALANCE	\$ 22,442	\$ 19,729
TOTAL LIABILITIES AND FUND BALANCE	\$ 22,442	\$ 19,729

CITY OF MARSHALLVILLE, GEORGIA
 LMIG
 STATEMENT OF REVENUES AND EXPENDITURES
 FOR YEAR ENDING JUNE 30, 2020

	<u>2020</u>	<u>2019</u>
<u>REVENUES</u>		
Intergovernmental Revenues	\$ 10,000	\$ 19,729
TOTAL REVENUES	<u>\$ 10,000</u>	<u>\$ 19,729</u>
<u>EXPENDITURES</u>		
STREET DEPT	<u>7,287</u>	<u>19,742</u>
TOTAL EXPENDITURES	<u>\$ 7,287</u>	<u>\$ 19,742</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 2,713</u>	<u>\$ (13)</u>
TRANSFERS	\$ -	\$ -
FUND BALANCE AT June 30, 2019	<u>\$ 19,729</u>	<u>\$ 19,742</u>
FUND BALANCE AT June 30, 2020	<u><u>\$ 22,442</u></u>	<u><u>\$ 19,729</u></u>

**CITY OF MARSHALLVILLE, GEORGIA
BALANCE SHEET-CAPITAL PROJECTS FUND
FOR YEAR ENDING JUNE 30, 2020**

	2019 SPLOST 2010- 2016	2018 SPLOST 2010- 2016
<u>ASSETS</u>		
Cash -Restricted	\$ -	\$ -
TOTAL ASSETS	\$ -	\$ -
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	-	-
Loans Payable		
TOTAL LIABILITIES	\$ -	\$ -
<u>FUND BALANCE</u>		
Fund Balance	\$ -	\$ -
TOTAL FUND BALANCE	\$ -	\$ -
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ -

**CITY OF MARSHALLVILLE, GEORGIA
 CAPITAL PROJECTS FUND – COMBINING SCHEDULE OF
 REVENUE AND EXPENDITURES AND CHANGES TO FUND BALANCE
 FOR YEAR ENDING JUNE 30, 2020**

	<u>2019 SPLOST 2010- 2016</u>	<u>2018 SPLOST 2010- 2016</u>
<u>REVENUES</u>		
Taxes	\$ -	\$ -
Other	-	-
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>
<u>EXPENDITURES</u>		
Capital Outlay		
General Government	\$ -	\$ 72,775
Streets	0	0
Police	0	0
Water Department		
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 72,775</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ (72,775)</u>
Transfer	\$ -	\$ 16,881
Fund Balance June 30, 2018	<u>\$ -</u>	<u>\$ 54,799</u>
Prior Period Adjustment	\$ -	\$ 1,095
Fund Balance June 30, 2019	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF MARSHALLVILLE, GEORGIA
 BALANCE SHEET-CAPITAL PROJECTS FUND
 FOR YEAR ENDING JUNE 30, 2020

	SPLOST 2006-2010	
	2019	2018
<u>ASSETS</u>		
Cash -Restricted	\$ -	\$ 433
TOTAL ASSETS	\$ -	\$ 433
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	-	-
Loans Payable		
TOTAL LIABILITIES	\$ -	\$ -
<u>FUND BALANCE</u>		
Fund Balance	\$ -	\$ 433
TOTAL FUND BALANCE	\$ -	\$ 433
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ 433

**CITY OF MARSHALLVILLE, GEORGIA
 CAPITAL PROJECTS FUND - COMBINING SCHEDULE OF
 REVENUE AND EXPENDITURES AND CHANGES TO FUND BALANCE
 JUNE 30, 2020**

	SPLOST 2006-2010	
	2019	2018
<u>REVENUES</u>		
Taxes	\$ -	\$ -
Others	-	-
TOTAL REVENUES	\$ -	\$ -
<u>EXPENDITURES</u>		
Capital Outlay		
General Government	\$ 433	\$ 1,470
Streets	0	0
Police	0	0
Water Department	0	0
TOTAL EXPENDITURES	\$ 433	\$ 1,470
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (433)	\$ (1,470)
Transfer Adjustments	-	-
Fund Balance, June 30, 2018	\$ 433	\$ 1,903
Fund Balance, June 30, 2019	\$ -	\$ 433

CITY OF MARSHALLVILLE, GEORGIA
 BALANCE SHEET-CAPITAL PROJECTS FUND
 FOR YEAR ENDING JUNE 30, 2020

SPLOST 2016-2022

	2020	2019
<u>ASSETS</u>		
Cash -Restricted	\$ 49,232	\$ 156,091
TOTAL ASSETS	\$ 49,232	\$ 156,091
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	-	-
Loans Payable		
TOTAL LIABILITIES	\$ -	\$ -
<u>FUND BALANCE</u>		
Fund Balance	\$ 49,232	\$ 156,091
TOTAL FUND BALANCE	\$ 49,232	\$ 156,091
TOTAL LIABILITIES AND FUND BALANCE	\$ 49,232	\$ 156,091

**CITY OF MARSHALLVILLE, GEORGIA
CAPITAL PROJECTS FUND – COMBINING SCHEDULE OF
REVENUE AND EXPENDITURES AND CHANGES TO FUND BALANCE
JUNE 30, 2020**

	SPLOST 2016-2022	
	2020	2019
<u>REVENUES</u>		
Taxes	\$ 121,165	\$ 118,641
Others	96	201
	<u> </u>	<u> </u>
TOTAL REVENUES	\$ 121,261	\$ 118,842
<u>EXPENDITURES</u>		
Capital Outlay		
General Government	\$ 1,767	\$ 17,769
Streets	7,564	0
Police	35,813	42,538
Water Department	26,976	0
	<u> </u>	<u> </u>
TOTAL EXPENDITURES	\$ 72,120	\$ 60,307
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 49,141	\$ 58,535
	<u> </u>	<u> </u>
Transfer Water Department	(150,000)	(10,987)
Transfer Water Department-Debt Service	(6,000)	
TOTAL TRANSFERS	(156,000)	(10,987)
	<u> </u>	<u> </u>
Fund Balance, June 30, 2019	\$ 156,091	\$ 108,543
	<u> </u>	<u> </u>
Fund Balance, June 30, 2020	\$ 49,232	\$ 156,091
	<u> </u>	<u> </u>