

CITY OF PERRY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

PREPARED BY:
Director of Administration

CITY OF PERRY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION



February 11, 2021

The Honorable Mayor, Members of the Governing Council and Citizens
of the City of Perry

In accordance with state statutes and local charter provisions, we hereby submit the Comprehensive Annual Financial Report (“CAFR”) of the City of Perry (the “City”) for the fiscal year ended June 30, 2020. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mauldin & Jenkins, Certified Public Accountants, LLC, has issued an unmodified (“clean”) opinion on the City’s financial statements for the fiscal year ended June 30, 2020. The Independent Auditor’s Report is located in the front of the financial section of this report. In addition to the audit of the financial records, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit organizations. For the fiscal year ended June 30, 2020, the City did expend more than \$750,000 in federal funds; therefore, a single audit was completed.

Generally Accepted Accounting Principles (“GAAP”) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City’s MD&A can be found immediately following the Independent Auditor’s Report.

Profile of the Government

Founded in 1824, the City of Perry is located in Houston County in the heart of Middle Georgia. The historic community currently encompasses 28.28 square miles along Interstate 75 approximately 90 miles south of Atlanta. The City has been able to capitalize on proximity to Robins Air Force Base, excellent schools, unique downtown, high quality of life, and location in transforming from a small town to a vibrant and growing community. As a hub of state and federal highways, home of the award-winning Georgia National Fairgrounds and Agricenter and with events like the Dogwood Festival, Perry Music Festival, Food Truck Friday, and the annual Perry Buzzard Drop New Year’s Eve bash, Perry is “Where Georgia Comes Together”.

The City, the county seat for Houston County, serves a population of 19,929, as estimated by management, and offers a variety of municipal services including police and fire protection, maintenance of streets, parks and recreational activities, judicial services, community development, general administration, water, sewer and natural gas utility services, solid waste services and stormwater utility services. The City is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City operates under the council-manager form of government. This organizational plan places legislative responsibility for municipal government with the City Council and gives administrative authority to the City Manager. The Council, which consists of the mayor and six Council members, levies taxes, enacts ordinances, adopts the annual budget and performs other legislative functions. The Mayor and Council are elected on a staggered non-partisan basis for a term of four years. The mayor is elected City-Wide. For the purpose of electing Council members, the City is divided into three districts, which consists of two posts each. The members representing each Council district shall be elected only by the voters residing in that district and not at large. Upon the recommendation of the Mayor, the City Council appoints a City Manager to manage the government through the development, implementation, and execution of programs and policies established by the Council.

The financial reporting entity of the City includes all the funds for which the City's elected officials are financially accountable, including its component units. Component units presented are the Perry Area Convention and Visitors Bureau Authority, which promotes tourism for the area; the Downtown Development Authority, which supports economic revitalization of the downtown district; Perry Industrial Building Authority and Perry Public Facilities Authority, which promotes new and existing industry, or expansion of in-city infrastructure needs.

Upon the recommendation of the City Manager and no later than the close of the fiscal year, the City Council adopts the budget for the upcoming fiscal year. The annual budget serves as the foundation for the City's financial plan and assists in the control of the financial stability and health of the government. The budget is prepared by fund, function and department and is closely monitored throughout the year. As conditions change or circumstances are altered, the budget process allows for amendments.

Local Economy

As the City continues to grow, so does the economy. With a healthy business mix, advantageous location, vibrant downtown core, quality workforce, and burgeoning market, Perry continues to be a viable and competitive business location despite the emergence of the COVID-19 pandemic. According to current business license data, the City has over 635 businesses that account for the employment of over 5,000 persons. Robins Air Force Base, located in nearby Warner Robins, employs about 23,000 civilians, military members and contractors; and has approximately \$3.15 billion annual economic impact, is the principal economic driver for not only the City, but the Middle Georgia region. The City's largest economic sectors continue to be the service and retail industries.

The City is doing all it can to be as business-friendly as possible. In 2020, the City was able to ensure that there would be no increase in the property tax millage rate of 14.05 in the City. The City has a number of programs available for business owners.

As one of the 35 Rural Zone Communities in Georgia, the City has assisted several local businesses obtain nearly one million dollars in business tax credits under the Georgia Department of Community Affairs Rural Zone Program. The Rural Zone Program offers tax credits to eligible businesses for job creation, investment and building rehabilitation. During these unprecedented times, seven businesses were certified for the rural zone tax credits for 2020.

Overall, Perry's business community continues to strive, the COVID-19 shutdown did not adversely affect many companies. Middle Georgia and the City reopened before the close of 2020, which allowed business to rebound stronger than they were pre COVID-19 levels. Furthermore, City staff worked directly with companies and the Perry Area Chamber of Commerce to utilize social media to educate businesses on assistance programs and engagement to support local. The City of Perry Main Street program also implemented a resiliency grant program to further support the downtown businesses.

The City issued 456 new single family residential and commercial structure permits with an estimated valuation of \$92,325,180.

In 2020, tourism continues to be a major economic sector for the City of Perry with the City, Discover Perry, Perry Music Festival, Food Truck Fridays, Perry Area Chamber of Commerce Dogwood Festival, and the rest of our community partners focused on leveraging and marketing our unique assets to take advantage of the \$68.96 billion statewide industry. Unfortunately, the Georgia National Fairgrounds and Agricenter ("GNFA") did not meet the events and visitors as previous years because of the COVID-19 pandemic shutdown. However, the City continued to explore ways to bring people to the City with community events such as the Grub Crawl where food truck vendors were strategically located throughout the City to allow social distancing; Halloweeleetka, a weekend of spirited fun on the Weeletka Trail; Workout in the Park where participants join in on a free and relaxing yoga session; and My Colorful Community where artists of all ages and abilities come together over a weekend to participate in a community chalk walk on the Whitetail and Weeletka Trail.

Long-term Financial Planning

The City met or took into consideration the following fiscal challenges in developing the 2021 budget:

- No millage rate increase for the seventh consecutive year
- Increase funding for health and dental insurance charges
- COVID-19 impact on the City revenue streams
- Seven percent (7%) increase in water consumption rate and five percent (5%) increase in wastewater consumption rate
- No increase in stormwater utility rate
- Gas distribution charge increase of 1.75%
- Five percent (5%) increase in fire protection fee
- Three percent (3%) increase to solid waste disposal toter service fee

Major Initiatives

Led by the Mayor and Council's directions, several tasks were undertaken this fiscal year 2020, which included:

- Continued construction of waterplant #3 and well
- Purchase land for new City Hall
- Houston Lake gas main extension
- Purchased and installed playground equipment at Rozar and Creekwood Parks
- Construction of Heritage Park and Legacy Park
- Annexing 114.6 acres
- Public Safety building improvements
- Purchase of Cherokee Pine and install fencing
- Wingfield Way sidewalk improvements
- Install census meter reading antenna at Windriver Tower
- Service extension for Sandler Nonwoven

Acknowledgements

The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Finance Department and Mauldin & Jenkins, Certified Public Accountants, LLC. We express appreciation to all staff members who contributed to the preparation of this report. Credit also must be given to the Mayor and City Council for their support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



R. Lee Gilmour
City Manager



Brenda L. King
Director of Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Perry
Georgia**

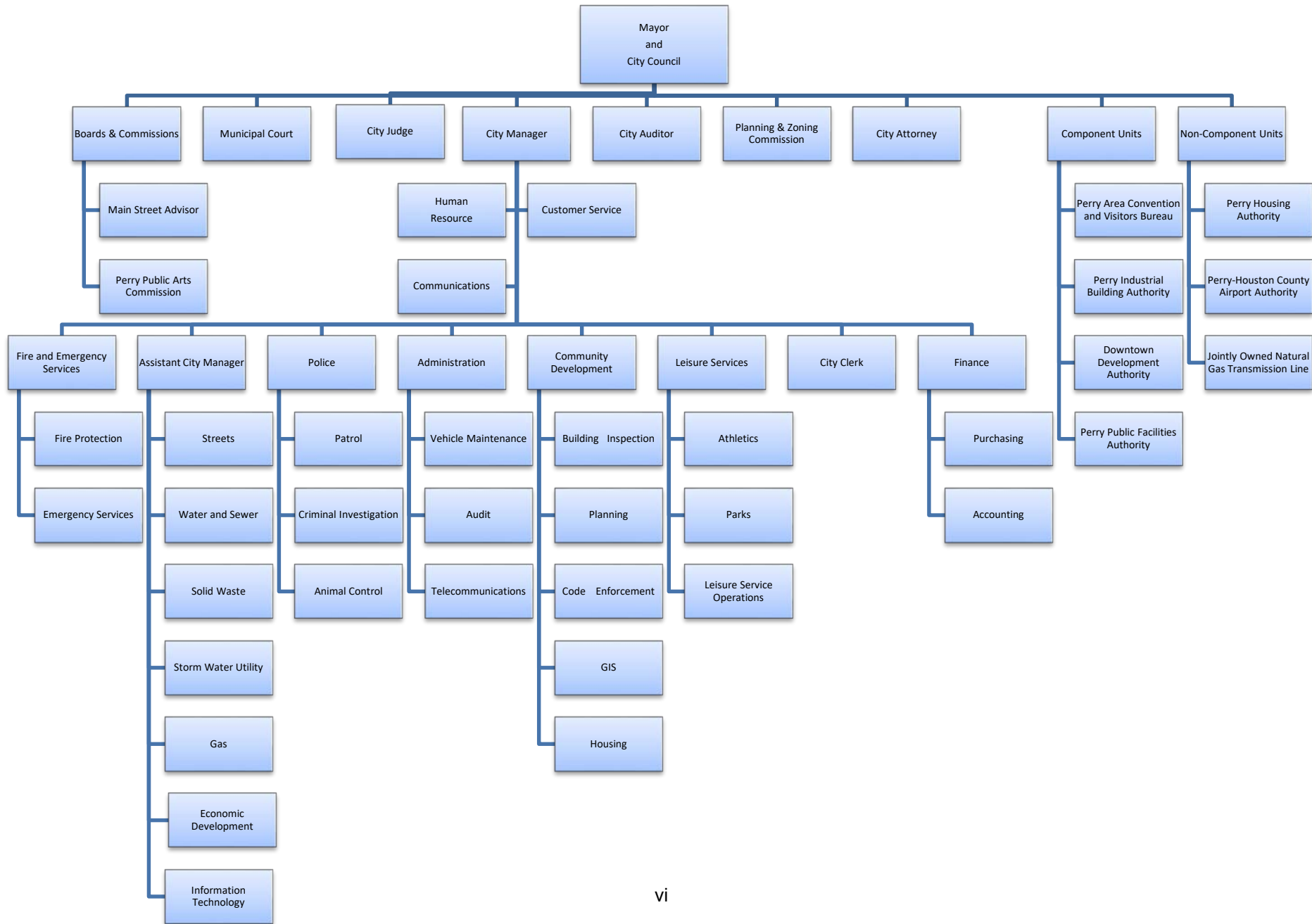
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF PERRY ORGANIZATIONAL CHART



CITY OF PERRY, GEORGIA
LIST OF PRINCIPAL OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Mayor	Randall Walker
Mayor Pro-Tempore	Willie J. King
Council Members	
District 1	
Post 1	Phyllis A. Bynum-Grace
Post 2	Willie J. King
District 2	
Post 1	Robert Jones
Post 2	Joy Peterson
District 3	
Post 1	Darryl Albritton
Post 2	Riley Hunt
City Manager	R. Lee Gilmour
City Attorney	Brooke Newby
Assistant City Manager/Public Works Director	Robert Smith
Director of Administration	Brenda L. King
Director of Community Development	Brian Wood
Director of Leisure Services	Sedrick Swan
Finance Director	Mitchell Worthington
Fire Chief	Z. Lee Parker
Police Chief	Stephen D. Lynn

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and Members of City Council
The City of Perry, Georgia
Perry, Georgia**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 13) and the Schedule of Changes in the City's Net Pension (Asset) Liability and Related Ratios and the Schedule of City Contributions (on pages 61 and 62) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying Schedule of Expenditures of Special Purpose Local Option Sales Tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated §48-8-121, and is also not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and schedules, the Schedule of Expenditures of Special Purpose Local Option Sales Tax proceeds and the Schedule of Expenditures of Federal Awards 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 and Individual Nonmajor Fund Financial Statements and Schedules, the Schedule of Expenditures of Special Purpose Local Option Sales Tax proceeds and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
February 11, 2021

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CITY OF PERRY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

Management's Discussion and Analysis ("MD&A") of the City of Perry, Georgia's (the "City") Comprehensive Annual Financial Report ("CAFR") provides an overall narrative and analysis of the City's financial statements for the fiscal year ended June 30, 2020. This MD&A is designed to look at the City's financial performance as a whole. Readers should review the information presented in conjunction with information provided in the financial statements and the notes to the financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of 2020 by \$95,538,884 (net position). Of this amount, \$11,158,311 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors.
- During the year ended June 30, 2020, the City's net position increased by \$850,376.
- As of June 30, 2020, the City's governmental funds reported combined fund balances of \$10,281,284, a decrease of \$2,218,010 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,176,350, or 21% of total general fund expenditures.
- During fiscal year 2020, the City's net book value of capital assets increased by approximately \$8,684,496.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Both of the *government-wide financial statements* distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that intend to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, recreation and housing and development. The business-type activities of the City include water and sewerage, stormwater utility, natural gas distribution, solid waste operation and a revolving loan fund.

The *government-wide financial statements* include not only the City of Perry itself (known as the primary government), but also entities for which the City is financially accountable. These component units are the Perry Area Convention and Visitors Bureau, the Downtown Development Authority, Perry Industrial Building Authority and the Perry Public Facilities Authority. Their financial information is reported separately from that of the primary government.

The government-wide financial statements can be found on pages 14 through 17 of this report.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Because the focus of governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 14 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, the SPLOST 2018, Perry Public Facilities Authority Capital Projects Fund, and the Fire Protection Fund. Data from the other nine governmental funds is presented in a total column termed as "other governmental funds." Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

The City adopted an annual appropriated budget for all of its funds except the fiduciary funds, which are not budgeted, and the capital project funds, of which project length budgets are adopted. A budgetary comparison statement has been provided for the General Fund and the Fire Protection Fund to demonstrate compliance with its budget.

The basic governmental funds financial statements can be found on pages 18 through 23 of this report.

Proprietary Funds

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the water and sewerage, natural gas distribution, stormwater utility, solid waste operation and a revolving loan fund.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewerage, natural gas distribution operations, stormwater utility and solid waste operation which are considered to be major funds of the City. The revolving loan fund is a nonmajor fund.

The basic proprietary fund financial statements can be found on pages 24 through 27 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 28 of this report.

Notes to the Financial Statements

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

The notes can be found on pages 29 through 60 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's retirement system Net Pension Liability (Asset) and City Contributions. Required supplementary information can be found on pages 61 and 62 of this report.

The combining statements and individual fund schedules referred to earlier are presented immediately following the required supplementary information.

Combining statements and individual fund schedules can be found on pages 63 through 66 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position (government and business-type activities) exceeded liabilities by \$95,538,884 at June 30, 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table provides a summary of the City's net position for fiscal years 2020 and 2019.

City of Perry - Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and Other Assets	\$ 12,613,111	\$ 15,787,911	\$ 10,846,055	\$ 10,076,757	\$ 23,459,166	\$ 25,864,668
Capital Assets	<u>54,761,305</u>	<u>53,085,039</u>	<u>55,316,616</u>	<u>48,308,386</u>	<u>110,077,921</u>	<u>101,393,425</u>
	<u>67,374,416</u>	<u>68,872,950</u>	<u>66,162,671</u>	<u>58,385,143</u>	<u>133,537,087</u>	<u>127,258,093</u>
Deferred Outflows of Resources						
Pension	28,166	21,118	-	-	28,166	21,118
Deferred charge on refunding	-	-	506,280	570,933	506,280	570,933
	<u>28,166</u>	<u>21,118</u>	<u>506,280</u>	<u>570,933</u>	<u>534,446</u>	<u>592,051</u>
Liabilities						
Current and Other Liabilities	2,307,612	2,778,455	3,226,167	2,302,187	5,533,779	5,080,642
Long-Term Liabilities	<u>11,862,684</u>	<u>12,314,000</u>	<u>21,027,590</u>	<u>15,036,548</u>	<u>32,890,274</u>	<u>27,350,548</u>
	<u>14,170,296</u>	<u>15,092,455</u>	<u>24,253,757</u>	<u>17,338,735</u>	<u>38,424,053</u>	<u>32,431,190</u>
Deferred Inflows of Resources						
Pension	108,596	730,446	-	-	108,596	730,446
	<u>108,596</u>	<u>730,446</u>	<u>-</u>	<u>-</u>	<u>108,596</u>	<u>730,446</u>
Net Position						
Net Investment in Capital Assets	46,690,172	47,501,166	34,084,726	33,155,834	80,774,898	80,657,000
Capital Outlay	1,227,105	442,659	-	-	1,227,105	442,659
Debt Service	-	-	1,693,591	1,667,799	1,693,591	1,667,799
Restricted	590,532	662,835	94,447	94,497	684,979	757,332
Unrestricted	4,615,881	4,464,507	6,542,430	6,699,211	11,158,311	11,163,718
	<u>\$ 53,123,690</u>	<u>\$ 53,071,167</u>	<u>\$ 42,415,194</u>	<u>\$ 41,617,341</u>	<u>\$ 95,538,884</u>	<u>\$ 94,688,508</u>

The City's net investment in capital assets (i.e., land, infrastructure, buildings, machinery and equipment) less any outstanding debt used to acquire those assets comprise 84.5%, or \$80,774,898, of the City's total net position. Net investments in capital assets for governmental activities decreased by \$810,994 and business-type government activities increased by \$928,892 in fiscal year 2020. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt are expected to be provided from other sources, since there are no plans to liquidate these assets.

An additional portion of the City's net position (3.8% or \$3,605,675) represents resources that are subject to external restrictions on how they may be used. The remaining balance (11.7% or \$11,158,311) of the City's net position is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

During the current fiscal year, the City's combined net position increased by \$850,376. Governmental activities net position decreased by \$52,523 in fiscal year 2020, whereas, the net position of the business-type activities increased \$797,853.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table summarizes changes in net position for the governmental and business-type activities:

City of Perry - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for services	\$ 8,567,254	\$ 7,619,677	\$ 15,725,697	\$ 15,258,827	\$ 24,292,951	\$ 22,878,504
Operating Grants and Contributions	694,194	800,597	-	-	694,194	800,597
Capital Grants and Contributions	2,204,085	1,844,311	-	-	2,204,085	1,844,311
General Revenues:						
Property Taxes	8,204,588	7,601,113	-	-	8,204,588	7,601,113
Hotel/Motel Taxes	895,601	966,801	-	-	895,601	966,801
Franchise Taxes	1,449,821	1,441,279	-	-	1,449,821	1,441,279
Alcoholic Beverage Taxes	315,778	297,110	-	-	315,778	297,110
Insurance Premium Taxes	1,050,279	988,756	-	-	1,050,279	988,756
Occupational Taxes	215,472	201,852	-	-	215,472	201,852
Restricted Investment Earnings	-	-	1,116	858	1,116	858
Unrestricted Investment Earnings	58,865	86,888	17,142	72,091	76,007	158,979
	<u>23,655,937</u>	<u>21,848,384</u>	<u>15,743,955</u>	<u>15,331,776</u>	<u>39,399,892</u>	<u>37,180,160</u>
Expenses						
General Government	8,696,197	7,676,919	-	-	8,696,197	7,676,919
Public Safety	10,184,999	8,993,171	-	-	10,184,999	8,993,171
Public Works	2,746,054	2,969,069	-	-	2,746,054	2,969,069
Recreation	816,582	1,053,370	-	-	816,582	1,053,370
Health and Welfare	4,167	-	-	-	4,167	-
Housing and Development	923,673	866,191	-	-	923,673	866,191
Interest on Long-Term Debt	439,063	234,782	-	-	439,063	234,782
Issuance Cost	-	183,376	-	-	-	183,376
Water and Sewerage System	-	-	7,814,046	7,221,673	7,814,046	7,221,673
Stormwater Utility	-	-	687,831	724,686	687,831	724,686
Gas System	-	-	3,999,382	4,581,124	3,999,382	4,581,124
Solid Waste	-	-	2,236,356	1,957,833	2,236,356	1,957,833
Revolving Loan Fund	-	-	1,166	1,127	1,166	1,127
	<u>23,810,735</u>	<u>21,976,878</u>	<u>14,738,781</u>	<u>14,486,443</u>	<u>38,549,516</u>	<u>36,463,321</u>
Increase in Net Position, before transfers	<u>(154,798)</u>	<u>(128,494)</u>	<u>1,005,174</u>	<u>845,333</u>	<u>850,376</u>	<u>716,839</u>
Transfers	207,321	110,861	(207,321)	(110,861)	-	-
	<u>207,321</u>	<u>110,861</u>	<u>(207,321)</u>	<u>(110,861)</u>	<u>-</u>	<u>-</u>
Change in Net Position	52,523	(17,633)	797,853	734,472	850,376	716,839
Net Position - Beginning of year	53,071,167	53,088,800	41,617,341	40,882,869	94,688,508	93,971,669
Net Position - End of year	\$ 53,123,690	\$ 53,071,167	\$ 42,415,194	\$ 41,617,341	\$ 95,538,884	\$ 94,688,508

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

For 2020, governmental activities decreased the City's net position by \$52,523. Although both revenues and expenses increased for the year when compared with 2019, revenues increased as a result of an increase in general government charges for services (\$947,577), capital grants and contributions (\$359,774), property taxes (\$603,475), franchise taxes (\$8,542), alcoholic beverage taxes (\$18,668), insurance premium taxes (\$61,523) and occupational taxes (\$13,620). Total expenses increased in the following areas: general government (\$1,019,278), public safety (\$1,191,828), health and welfare (\$4,167), housing and development (\$57,482) and interest on long-term debt (\$204,281). The major contributing factor to the increase in expenditures was the increase in public safety and public works due to hazard pay for employees responding to the COVID-19 pandemic.

Business-Type Activities

The business-type activities followed the same pattern as the previous year and increased the City's net position by \$797,853. In 2020, there was an increase in charges for services, particularly the stormwater utility and fire protection funds as the rates were adjusted to operating and capital needs. However, all proprietary funds ended the year with positive net positions.

Financial Analysis of the City's Major Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

At June 30, 2020, the City's governmental funds reported combined fund balances of \$10,281,284, a decrease of \$2,218,010 from the prior year. Approximately 39.7% of the combined fund balances, (\$4,079,800) is classified as unassigned. The remaining amounts are classified as nonspendable (\$20,364), restricted (\$6,128,754) and assigned (\$52,226).

The General Fund is the chief operating fund of the City. At June 30, 2020, the unassigned fund balance of the general fund was \$4,176,350, while total fund balance was \$4,228,616. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21.2% of total fund expenditures, while total fund balance represents 21.5% of the same amount.

MANAGEMENT'S DISCUSSION AND ANALYSIS

During the current fiscal year, the fund balance of the General Fund decreased by \$215,710. Key factors in this decrease are as follows:

- Debt services for Perry Public Facilities Bond

Proprietary Funds

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

Unrestricted net position of proprietary funds ended on a positive note in the amount of \$6,542,430. Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City of Perry was approximately seventy-five percent into the 2020 budget year when the COVID-19 pandemic emerged. Much of the revenue had been collected at or above the estimated amounts. At the close of 2020 revenues and expenditures were 13% over the original budgeted amounts. Mid-year and final amendments were made to reflect the actual receipts of revenue sources such as:

- Property tax increase (\$358,800) 4.5% due to reassessments
- Gross insurance property tax increase (\$58,800)
- Franchise tax (\$44,100)
- License and permits (\$238,400)
- Intergovernmental revenue (\$476,800)
- Charges for services (\$94,000)
- Fines and forfeitures (\$231,100)
- Miscellaneous (\$532,000)

As stated above, expenditures also increased by the same percentage. Significant budget amendments reflect increases in appropriations for administrative in the amount of \$800,700 mainly for health and dental claims, debt service in the amount of \$254,900, additional positions in public safety and hazard pay in response to the pandemic by \$286,000, housing and development by \$267,000, public works by \$254,800, creation of the City Attorney's office in the amount of \$103,300 and municipal court in the amount of \$149,400.

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2020, total \$110,077,921 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, construction in progress, infrastructure, machinery and equipment, structures, equipment and lines, and furniture and fixtures.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The total increase in the City's investment in capital assets for the current period was \$8,684,496. Detailed information regarding the capital asset activity for 2020 can be found on pages 42 and 43 of this report.

Major capital asset events during the current fiscal year included the following:

- Various governmental capital asset projects, including land purchases, with a total value of \$1,468,399 were completed or acquired during the year. The total value of governmental capital assets of all types under construction at year-end was \$3,785,883. Machinery and other rolling stock valued at \$739,886 was placed into service during the year. Major projects consisted of construction of Heritage and Legacy Parks, installation of playground equipment at Creekwood and Rozar Parks, renovation of 741 Main Street for community development relocation and renovations to public safety building.
- Various business-type capital asset projects with a total value of \$402,547 were completed or acquired during the year. The total value of business-type capital assets of all types under construction at year-end was \$5,083,624.

The following table summarizes the City's governmental and business-type activity capital assets by major category as of the end of 2020 and 2019.

City of Perry - Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 10,913,992	\$ 10,767,186	\$ 417,495	\$ 405,972	\$ 11,331,487	\$ 11,173,158
Land improvements	322,749	292,218	-	-	322,749	292,218
Buildings and improvements	6,354,919	5,755,866	-	-	6,354,919	5,755,866
Infrastructure	31,322,550	31,670,671	-	-	31,322,550	31,670,671
Machinery and equipment	1,851,742	2,906,229	-	-	1,851,742	2,906,229
Furniture and fixtures	7,150	(12,644)	-	-	7,150	(12,644)
Structures, equipment and lines	-	-	43,013,519	43,927,704	43,013,519	43,927,704
Construction in progress	3,988,203	1,705,513	11,885,602	3,974,710	15,873,805	5,680,223
	<u>\$ 54,761,305</u>	<u>\$ 53,085,039</u>	<u>\$ 55,316,616</u>	<u>\$ 48,308,386</u>	<u>\$ 110,077,921</u>	<u>\$ 101,393,425</u>

Long-Term Debt

At June 30, 2020, the City had total debt outstanding of \$34,142,342 as compared to \$28,781,247 at the end of the prior year. This amount is comprised of \$21,626,745 in revenue bonds, \$9,508,118 in loans payable, and \$3,007,479 in capital lease agreements.

City of Perry - Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue Bonds	\$ 9,952,201	\$ 10,147,027	\$ 11,674,544	\$ 12,400,130	\$ 21,626,745	\$ 22,547,157
Loans	-	-	9,508,118	2,812,362	9,508,118	2,812,362
Capital Leases	2,451,971	2,910,735	555,508	510,993	3,007,479	3,421,728
	<u>\$ 12,404,172</u>	<u>\$ 13,057,762</u>	<u>\$ 21,738,170</u>	<u>\$ 15,723,485</u>	<u>\$ 34,142,342</u>	<u>\$ 28,781,247</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt issued in 2020 amounted to \$595,570 compared to \$11,098,106 in the previous year. The capital leases were used to purchase machinery and equipment for the public works, water and sewer, solid waste and public safety. The City continued to utilize a low interest loan from the Georgia Environmental Finance Authority to fund the construction of a new water treatment plant and well. As of June 30, 2020, the City had drawn \$9,508,118 against the total loan commitment of \$11,250,000. The expected date of completion is October 2020.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of real and personal property. The City has not issued any general obligation debt since 1970 and has had none outstanding since 1990. The amount of general obligation debt legally allowable for the City is \$52,709,393.

Additional information on the City's long-term debt can be found in Note 7 on pages 45 through 48 of this report.

Economic Factors and Current Year Budget and Rates

Building permits issued for new starts and additions were 368 residential and 10 commercial and accessory structures.

As of June 30, 2020, the unemployment rate for Houston County was 6.2% compared to the State of Georgia rate of 7.6%. Management has estimated the service population for the City to be 19,929 at June 30, 2020, which is based on the average household of 2.49 persons.

The intention of the FY 2021 budget was to address future needs in a very uncertain environment. With that in mind, the following factors were considered in preparation of the City's budget for 2021:

- No millage rate increase
- Funding for health and dental claims increased by 13.73%
- Potential decrease in revenues, particular Hotel/Motel Tax, as a result of the COVID-19 pandemic
- No pay plan adjustment or merit increases were recommended for funding
- Increase water and sewerage and gas system rates by 3.90%
- No rate increase for fire protection, stormwater utility and solid waste collection fees

Request for Information

This financial report is designed to provide a general overview of the City's finances for those with an interest in our government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Perry Department of Administration, P.O. Box 2030, Perry, Georgia 31069.

BASIC FINANCIAL STATEMENTS

CITY OF PERRY, GEORGIA

**STATEMENT OF NET POSITION
JUNE 30, 2020**

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 6,893,986	\$ 4,222,439	\$ 11,116,425
Investments	3,475,027	1,834,990	5,310,017
Taxes receivable	166,830	-	166,830
Accounts receivable, net of allowances	533,468	1,392,543	1,926,011
Other receivable	123,423	-	123,423
Due from other governments	-	800,940	800,940
Internal balances	135,586	(135,586)	-
Inventories	2,634	-	2,634
Prepaid expenses	20,364	39,032	59,396
Net pension asset	1,261,793	-	1,261,793
Restricted assets:			
Cash and cash equivalents	-	1,924,085	1,924,085
Loans receivable	-	27,112	27,112
Investment in Jointly-Owned Natural Gas Transmission Line	-	740,500	740,500
Capital assets:			
Nondepreciable	14,902,195	12,303,097	27,205,292
Depreciable, net of accumulated depreciation	39,859,110	43,013,519	82,872,629
Total assets	<u>67,374,416</u>	<u>66,162,671</u>	<u>133,537,087</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions subsequent to measurement date	28,166	-	28,166
Deferred amount on refunding	-	506,280	506,280
Total deferred outflows of resources	<u>28,166</u>	<u>506,280</u>	<u>534,446</u>
LIABILITIES			
Accounts payable	457,719	1,376,426	1,834,145
Retainage payable	46,508	845,211	891,719
Accrued liabilities	572,186	182,741	754,927
Capital leases due within one year	780,344	161,693	942,037
Capital leases due in more than one year	1,671,627	393,815	2,065,442
Loans payable due in more than one year	-	9,508,118	9,508,118
Bonds payable due within one year	190,000	639,000	829,000
Bonds payable due in more than one year	9,762,201	11,035,544	20,797,745
Compensated absences due within one year	260,855	17,596	278,451
Compensated absences due in more than one year	428,856	31,959	460,815
Landfill post-closure care costs due in less than one year	-	3,500	3,500
Landfill post-closure care costs due in more than one year	-	58,154	58,154
Total liabilities	<u>14,170,296</u>	<u>24,253,757</u>	<u>38,424,053</u>
DEFERRED INFLOW OF RESOURCES			
Pension - net difference in projected and actual investment earnings	108,596	-	108,596
NET POSITION			
Net investment in capital assets	46,690,172	34,084,726	80,774,898
Restricted for:			
Capital outlay	1,227,105	-	1,227,105
Debt service	-	1,693,591	1,693,591
Capital projects	-	94,447	94,447
Public safety purposes	513,170	-	513,170
Culture and beautification	77,362	-	77,362
Other purposes	-	-	-
Unrestricted	4,615,881	6,542,430	11,158,311
Total net position	<u>\$ 53,123,690</u>	<u>\$ 42,415,194</u>	<u>\$ 95,538,884</u>

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

Component Units		
Perry Area Convention and Visitors Bureau	Perry Downtown Development Authority	Perry Industrial Building Authority
\$ 411,455	\$ 82,415	\$ 244,607
-	-	-
-	-	-
60,664	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
487,693	-	-
353,042	-	-
<u>1,312,854</u>	<u>82,415</u>	<u>244,607</u>
-	-	-
-	-	-
-	-	-
3,991	-	-
-	-	-
5,362	-	-
-	-	-
-	-	-
-	-	-
5,714	-	-
5,714	-	-
-	-	-
-	-	-
<u>20,781</u>	<u>-</u>	<u>-</u>
-	-	-
-	-	-
840,735	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	20,800	-
451,338	61,615	244,607
<u>\$ 1,292,073</u>	<u>\$ 82,415</u>	<u>\$ 244,607</u>

CITY OF PERRY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 8,696,197	\$ 4,647,467	\$ -	\$ 1,466,620
Public safety	10,184,999	3,043,762	104,572	176,610
Public works	2,746,054	169,648	-	560,855
Recreation	816,582	69,333	81,655	-
Health and welfare	4,167	-	-	-
Housing and economic development	923,673	637,044	507,967	-
Interest on long-term debt	439,063	-	-	-
Total governmental activities	<u>23,810,735</u>	<u>8,567,254</u>	<u>694,194</u>	<u>2,204,085</u>
Business-type activities:				
Water and sewerage system	7,814,046	8,319,862	-	-
Stormwater utility fund	687,831	747,933	-	-
Gas system	3,999,382	4,545,374	-	-
Solid waste	2,236,356	2,112,528	-	-
Revolving loan fund	1,166	-	-	-
Total business-type activities	<u>14,738,781</u>	<u>15,725,697</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 38,549,516</u>	<u>\$ 24,292,951</u>	<u>\$ 694,194</u>	<u>\$ 2,204,085</u>
Component units:				
Perry Area Convention and Visitors Bureau	\$ 465,485	\$ 5,102	\$ 339,715	\$ -
Perry Downtown Development Authority	56,326	-	90,638	-
Perry Industrial Building Authority	-	-	-	-
Total component units	<u>\$ 521,811</u>	<u>\$ 5,102</u>	<u>\$ 430,353</u>	<u>\$ -</u>

General revenues:
Property taxes
Franchise taxes
Insurance premium tax
Occupational taxes
Alcoholic beverage taxes
Hotel/Motel taxes
Restricted investment earnings
Net unrestricted investment earnings
Transfers
Total general revenue and transfers
Change in net position
Net position, beginning of year
Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position			Component Units		
Governmental Activities	Business-type Activities	Total	Perry Area Convention and Visitors Bureau	Perry Downtown Development Authority	Perry Industrial Building Authority
\$ (2,582,110)	\$ -	\$ (2,582,110)	\$ -	\$ -	\$ -
(6,860,055)	-	(6,860,055)	-	-	-
(2,015,551)	-	(2,015,551)	-	-	-
(665,594)	-	(665,594)	-	-	-
(4,167)	-	(4,167)	-	-	-
221,338	-	221,338	-	-	-
(439,063)	-	(439,063)	-	-	-
<u>(12,345,202)</u>	<u>-</u>	<u>(12,345,202)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	505,816	505,816	-	-	-
-	60,102	60,102	-	-	-
-	545,992	545,992	-	-	-
-	(123,828)	(123,828)	-	-	-
-	(1,166)	(1,166)	-	-	-
<u>-</u>	<u>986,916</u>	<u>986,916</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(12,345,202)</u>	<u>986,916</u>	<u>(11,358,286)</u>	<u>-</u>	<u>-</u>	<u>-</u>
			(120,668)	-	-
			-	34,312	-
			-	-	-
			<u>\$ (120,668)</u>	<u>\$ 34,312</u>	<u>\$ -</u>
8,204,588	-	8,204,588	-	-	-
1,449,821	-	1,449,821	-	-	-
1,050,279	-	1,050,279	-	-	-
215,472	-	215,472	-	-	-
315,778	-	315,778	-	-	-
895,601	-	895,601	-	-	-
-	1,116	1,116	-	-	-
58,865	17,142	76,007	86	409	1,947
207,321	(207,321)	-	-	-	-
<u>12,397,725</u>	<u>(189,063)</u>	<u>12,208,662</u>	<u>86</u>	<u>409</u>	<u>1,947</u>
<u>52,523</u>	<u>797,853</u>	<u>850,376</u>	<u>(120,582)</u>	<u>34,721</u>	<u>1,947</u>
<u>53,071,167</u>	<u>41,617,341</u>	<u>94,688,508</u>	<u>1,412,655</u>	<u>47,694</u>	<u>242,660</u>
<u>\$ 53,123,690</u>	<u>\$ 42,415,194</u>	<u>\$ 95,538,884</u>	<u>\$ 1,292,073</u>	<u>\$ 82,415</u>	<u>\$ 244,607</u>

CITY OF PERRY, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Component Unit							Total Governmental Funds
	General Fund	Fire Protection Fund	SPLOST 2012 Fund	SPLOST 2018 Fund	PPFA Capital Projects	Perry Public Facilities Authority	Nonmajor Governmental Funds	
ASSETS								
Cash and cash equivalents	\$ 908,462	\$ 253,598	\$ -	\$ 656,814	\$ -	\$ 4,333,039	\$ 742,073	\$ 6,893,986
Investments	3,475,027	-	-	-	-	-	-	3,475,027
Taxes receivable, net	100,171	-	-	-	-	-	66,659	166,830
Accounts receivable, net	36,225	161,574	-	335,669	-	-	-	533,468
Due from other funds	258,666	-	-	7,401	27,132	-	280,778	573,977
Other receivables	123,423	-	-	-	-	-	-	123,423
Inventories	2,634	-	-	-	-	-	-	2,634
Prepaid expenditures	-	18,921	-	-	-	-	1,443	20,364
Total assets	\$ 4,904,608	\$ 434,093	\$ -	\$ 999,884	\$ 27,132	\$ 4,333,039	\$ 1,090,953	\$ 11,789,709
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 240,424	\$ 14,059	\$ -	\$ 12,430	\$ 65,467	\$ 61,593	\$ 63,746	\$ 457,719
Retainage payable	-	-	-	-	46,508	-	-	46,508
Accrued liabilities	405,497	58,178	-	-	-	-	503	464,178
Deposits	15,169	-	-	-	-	-	-	15,169
Due to other funds	-	5,323	-	1,460	7,401	21,822	402,385	438,391
Total liabilities	661,090	77,560	-	13,890	119,376	83,415	466,634	1,421,965
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	14,902	-	-	-	-	-	-	14,902
Unavailable revenue - sales taxes	-	-	-	71,558	-	-	-	71,558
Total deferred inflows of resources	14,902	-	-	71,558	-	-	-	86,460
FUND BALANCES								
Nonspendable:								
Prepaid expenditures	-	18,921	-	-	-	-	1,443	20,364
Restricted for:								
Public safety	-	337,612	-	-	-	-	175,558	513,170
Culture and beautification	-	-	-	-	-	-	77,362	77,362
Capital outlay	-	-	-	914,436	-	4,249,624	374,262	5,538,322
Assigned:								
Culture and beautification	45,414	-	-	-	-	-	-	45,414
Administrative	6,852	-	-	-	-	-	-	6,852
Unassigned:	4,176,350	-	-	-	(92,244)	-	(4,306)	4,079,800
Total fund balances	4,228,616	356,533	-	914,436	(92,244)	4,249,624	624,319	10,281,284
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,904,608	\$ 434,093	\$ -	\$ 999,884	\$ 27,132	\$ 4,333,039	\$ 1,090,953	\$ 11,789,709

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

CITY OF PERRY, GEORGIA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total fund balances of governmental funds	\$	10,281,284
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the respective governmental funds:		
Cost of capital assets	\$ 92,000,369	
Accumulated depreciation	<u>(37,239,064)</u>	54,761,305
Certain long-term assets are not available to pay for current period expenditures		
Unavailable revenue	\$ 86,460	
Net pension asset	<u>1,261,793</u>	1,348,253
Deferred outflow of resources		
Pension contributions		28,166
Deferred inflow of resources		
Pension investment earnings		(108,596)
Long-term liabilities are not due and payable in the current period; therefore, they are not reported in governmental funds:		
Accrued interest	\$ (92,839)	
Compensated absences	(689,711)	
Bonds	(9,952,201)	
Capital leases	<u>(2,451,971)</u>	<u>(13,186,722)</u>
Net position of governmental activities	\$	<u><u>53,123,690</u></u>

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

CITY OF PERRY, GEORGIA

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

	General Fund	Fire Protection Fund	SPLOST 2012 Fund	SPLOST 2018 Fund	PPFA Capital Projects	Component Unit Perry Public Facilities Authority	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Taxes:								
Property	\$ 8,196,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,196,636
Franchise	1,449,821	-	-	-	-	-	-	1,449,821
Insurance premium	1,050,279	-	-	-	-	-	-	1,050,279
Occupational	215,472	-	-	-	-	-	-	215,472
Alcoholic beverage	315,778	-	-	-	-	-	-	315,778
Hotel/motel	-	-	-	-	-	-	895,601	895,601
Licenses and permits	753,364	-	-	-	-	-	-	753,364
Intergovernmental	482,987	-	-	1,491,349	-	-	254,478	2,228,814
Fines and forfeitures	733,953	-	-	-	-	-	26,939	760,892
Fire protection fees	-	2,246,595	-	-	-	-	-	2,246,595
Charges for services	4,012,406	-	-	-	-	-	-	4,012,406
Contributions from private sources	80,654	-	-	-	-	-	-	80,654
Investment earnings	47,841	497	-	290	-	9,750	487	58,865
Miscellaneous	793,997	-	-	-	-	1,001	612,539	1,407,537
Total revenues	18,133,188	2,247,092	-	1,491,639	-	10,751	1,790,044	23,672,714
EXPENDITURES								
Current:								
General government	7,287,538	-	-	-	-	-	1,083,735	8,371,273
Public safety	6,909,418	2,242,776	-	-	-	-	30,600	9,182,794
Public works	2,658,501	-	-	7,695	-	-	-	2,666,196
Recreation	713,066	-	-	-	-	-	-	713,066
Housing and development	704,658	-	-	-	-	-	-	704,658
Health and welfare	4,167	-	-	-	-	-	-	4,167
Capital outlay	-	8,997	-	825,940	2,735,804	-	631,562	4,202,303
Debt service:								
Principal	966,047	89,745	-	-	-	-	-	1,055,792
Interest and other fees	423,297	20,699	-	-	-	-	-	443,996
Total expenditures	19,666,692	2,362,217	-	833,635	2,735,804	-	1,745,897	27,344,245
Excess (deficiency) of revenues over (under) expenditures	(1,533,504)	(115,125)	-	658,004	(2,735,804)	10,751	44,147	(3,671,531)
OTHER FINANCING SOURCES (USES)								
Transfers in	1,168,547	40,105	-	61,593	2,643,560	-	547,389	4,461,194
Transfers out	(292,898)	-	-	(27,843)	-	(2,695,878)	(433,199)	(3,449,818)
Capital lease	407,028	-	-	-	-	-	-	407,028
Sale of capital assets	35,117	-	-	-	-	-	-	35,117
Total other financing sources (uses)	1,317,794	40,105	-	33,750	2,643,560	(2,695,878)	114,190	1,453,521
Net change in fund balances	(215,710)	(75,020)	-	691,754	(92,244)	(2,685,127)	158,337	(2,218,010)
Fund balances, beginning of year	4,444,326	431,553	-	222,682	-	6,934,751	465,982	12,499,294
Fund balances, end of year	\$ 4,228,616	\$ 356,533	\$ -	\$ 914,436	\$ (92,244)	\$ 4,249,624	\$ 624,319	\$ 10,281,284

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

CITY OF PERRY, GEORGIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Net change in fund balances of total governmental funds as noted in the statement of revenues, expenditures and changes in fund balances. \$ (2,218,010)

Amounts reported for governmental activities in the statement of activities are different from the statement of revenues, expenditures and changes in fund balances because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay	\$ 6,217,779	
Depreciation	<u>(3,359,626)</u>	2,858,153

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, transfers from enterprise funds) is to decrease net position. (1,181,887)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Deferred inflows of resources in the prior year	\$ (103,237)	(16,777)
Deferred inflows of resources in the current year	<u>86,460</u>	

The issuance of long-term debt provides current financial resources to governmental funds, but increases liabilities in the statement of net position. Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of

Proceeds from capital lease obligations	\$ (407,028)	
Proceeds from revenue bonds	-	
Amortization of bond premium	4,826	
Payment of capital leases payable and bonds payable	<u>1,055,792</u>	653,590

The effect of changes in net pension asset and related deferred inflows and outflows of pension resources. 129,859

Some expenses reported in the statement of activities do not require the use of current financial resources, and are not reported as expenditures in governmental funds.

Current year change in compensated absences	\$ (172,512)	
Change in accrued interest	<u>107</u>	<u>(172,405)</u>

Net change in net position of governmental activities as noted in the statement of activities \$ 52,523

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

CITY OF PERRY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 7,852,200	\$ 8,211,000	\$ 8,196,636	\$ (14,364)
Franchise	1,405,700	1,449,800	1,449,821	21
Insurance premium	991,400	1,050,200	1,050,279	79
Occupational	194,200	215,500	215,472	(28)
Alcoholic beverage	285,100	315,700	315,778	78
Licenses and permits	514,900	753,300	753,364	64
Intergovernmental	6,100	482,900	482,987	87
Fines and forfeitures	504,400	735,500	733,953	(1,547)
Charges for services	3,935,300	4,029,300	4,012,406	(16,894)
Contributions from private sources	-	80,600	80,654	54
Investment earnings	45,000	47,800	47,841	41
Miscellaneous	262,000	794,000	793,997	(3)
Total revenues	<u>15,996,300</u>	<u>18,165,600</u>	<u>18,133,188</u>	<u>(32,412)</u>
EXPENDITURES				
Current				
General government:				
Mayor	62,700	26,700	26,918	(218)
City Council	109,900	141,900	141,905	(5)
City Attorney	34,000	137,300	137,254	46
Municipal Court	392,800	589,900	589,932	(32)
Administrative	3,316,600	4,116,600	4,095,995	20,605
City Manager	1,294,800	1,282,600	1,278,430	4,170
Community development	1,003,400	991,900	984,043	7,857
Elections	1,300	33,100	33,061	39
Total general government	<u>6,215,500</u>	<u>7,320,000</u>	<u>7,287,538</u>	<u>32,462</u>
Public safety	6,569,800	6,875,800	6,909,418	(33,618)
Public works	2,330,300	2,585,100	2,658,501	(73,401)
Recreation	629,800	716,600	713,066	3,534
Housing and development	441,200	708,200	704,658	3,542
Health and welfare	-	4,200	4,167	33
Debt service:				
Principal	871,400	966,200	966,047	153
Interest and other fees	263,400	423,500	423,297	203
Total expenditures	<u>17,321,400</u>	<u>19,599,600</u>	<u>19,666,692</u>	<u>(67,092)</u>
Deficiency of revenues over expenditures	<u>(1,325,100)</u>	<u>(1,434,000)</u>	<u>(1,533,504)</u>	<u>(99,504)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	887,600	1,168,500	1,168,547	47
Transfers out	(63,000)	(293,900)	(292,898)	1,002
Capital leases	514,500	407,000	407,028	28
Sale of capital assets	-	-	35,117	35,117
Total other financing sources, net	<u>1,339,100</u>	<u>1,281,600</u>	<u>1,317,794</u>	<u>36,194</u>
Net change in fund balances	<u>14,000</u>	<u>(152,400)</u>	<u>(215,710)</u>	<u>(63,310)</u>
Fund balances, beginning of year	<u>4,444,326</u>	<u>4,444,326</u>	<u>4,444,326</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,458,326</u>	<u>\$ 4,291,926</u>	<u>\$ 4,228,616</u>	<u>\$ (63,310)</u>

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

CITY OF PERRY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FIRE PROTECTION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Final Budgeted Amounts	Actual	Variance
REVENUES			
Fire protection fees	\$ 2,246,600	\$ 2,246,595	\$ (5)
Interest	500	497	(3)
Total revenues	<u>2,247,100</u>	<u>2,247,092</u>	<u>(8)</u>
EXPENDITURES			
Current:			
Public safety	2,239,400	2,242,776	(3,376)
Capital outlay	9,000	8,997	3
Debt service:			
Principal	89,800	89,745	55
Interest	20,700	20,699	1
Total expenditures	<u>2,358,900</u>	<u>2,362,217</u>	<u>(3,317)</u>
Deficiency of revenues under expenditures	<u>(111,800)</u>	<u>(115,125)</u>	<u>(3,325)</u>
Other financing sources			
Transfers in	40,100	40,105	5
Total other financing sources	<u>40,100</u>	<u>40,105</u>	<u>5</u>
Net change in fund balance	<u>(71,700)</u>	<u>(75,020)</u>	<u>(3,320)</u>
FUND BALANCES, beginning of year	<u>431,553</u>	<u>431,553</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 359,853</u>	<u>\$ 356,533</u>	<u>\$ (3,320)</u>

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

CITY OF PERRY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2020

	Water and Sewerage System	Stormwater Utility Fund	Gas System	Solid Waste	Nonmajor Revolving Loan Fund	Totals
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 2,438,718	\$ 108,294	\$ 1,349,624	\$ 325,803	\$ -	\$ 4,222,439
Investments	1,301,550	-	533,440	-	-	1,834,990
Accounts receivable, net of allowances	811,035	84,497	250,005	247,006	-	1,392,543
Intergovernmental receivable	800,940	-	-	-	-	800,940
Loans receivable, current portion	-	-	-	-	14,331	14,331
Due from other funds	28,797	-	-	-	-	28,797
Prepaid expenses	27,643	2,861	1,456	7,072	-	39,032
Total current assets	5,408,683	195,652	2,134,525	579,881	14,331	8,333,072
NON-CURRENT ASSETS						
Restricted assets, cash	1,703,153	-	2,921	149,560	68,451	1,924,085
Loans receivable	-	-	-	-	12,781	12,781
Investment in Jointly-Owned Natural Gas Transmission Line	-	-	740,500	-	-	740,500
Capital assets:						
Land and easements	240,805	24,630	62,165	89,895	-	417,495
Structures, equipment and lines	67,378,682	985,915	4,008,878	519,399	-	72,892,874
Construction in progress	11,072,738	84,521	675,906	52,437	-	11,885,602
Less: accumulated depreciation	(26,866,298)	(323,083)	(2,292,333)	(397,641)	-	(29,879,355)
Total non-current assets	53,529,080	771,983	3,198,037	413,650	81,232	57,993,982
Total assets	58,937,763	967,635	5,332,562	993,531	95,563	66,327,054
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amount on refunding	506,280	-	-	-	-	506,280
Total deferred outflows of resources	506,280	-	-	-	-	506,280
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	1,022,379	9,503	226,376	118,168	-	1,376,426
Retainage payable	845,211	-	-	-	-	845,211
Salaries payable	-	6,815	-	13,663	-	20,478
Accrued interest payable	124,829	1,649	120	379	-	126,977
Due to other funds	106,193	16,564	34,108	6,402	1,116	164,383
Compensated absences	-	6,126	-	11,470	-	17,596
Customer deposits payable	31,742	-	3,544	-	-	35,286
Landfill post-closure care costs	-	-	-	3,500	-	3,500
Revenue bonds payable, current portion	639,000	-	-	-	-	639,000
Capital leases, current portion	49,128	66,313	13,351	32,901	-	161,693
Total current liabilities	2,818,482	106,970	277,499	186,483	1,116	3,390,550
NON-CURRENT LIABILITIES						
Compensated absences, net of current portion	-	15,703	-	16,256	-	31,959
Revenue bonds	11,035,544	-	-	-	-	11,035,544
Loans payable	9,508,118	-	-	-	-	9,508,118
Capital leases	98,965	125,218	29,413	140,219	-	393,815
Landfill post-closure care costs	-	-	-	58,154	-	58,154
Total non-current liabilities	20,642,627	140,921	29,413	214,629	-	21,027,590
Total liabilities	23,461,109	247,891	306,912	401,112	1,116	24,418,140
NET POSITION						
Net investment in capital assets	31,001,452	580,452	2,411,852	90,970	-	34,084,726
Restricted for debt service	1,693,591	-	-	-	-	1,693,591
Restricted for loans receivable	-	-	-	-	94,447	94,447
Unrestricted	3,287,891	139,292	2,613,798	501,449	-	6,542,430
Total net position	\$ 35,982,934	\$ 719,744	\$ 5,025,650	\$ 592,419	\$ 94,447	\$ 42,415,194

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

CITY OF PERRY, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Water and Sewerage System	Stormwater Utility Fund	Gas System	Solid Waste	Nonmajor Revolving Loan Fund	Totals
OPERATING REVENUES						
Charges for services	\$ 8,301,347	\$ 747,933	\$ 4,541,505	\$ 2,112,528	\$ -	\$ 15,703,313
Miscellaneous	18,515	-	3,869	-	-	22,384
Total operating revenues	<u>8,319,862</u>	<u>747,933</u>	<u>4,545,374</u>	<u>2,112,528</u>	<u>-</u>	<u>15,725,697</u>
OPERATING EXPENSES						
Cost of sales and services	5,175,082	190,006	3,664,358	1,479,881	1,166	10,510,493
Salaries and benefits	32,061	296,297	-	545,503	-	873,861
Administration	602,005	107,409	247,727	148,308	-	1,105,449
Bad debt expense	-	-	-	-	-	-
Depreciation	1,576,790	88,104	86,290	61,289	-	1,812,473
Total operating expenses	<u>7,385,938</u>	<u>681,816</u>	<u>3,998,375</u>	<u>2,234,981</u>	<u>1,166</u>	<u>14,302,276</u>
Operating income (loss)	<u>933,924</u>	<u>66,117</u>	<u>546,999</u>	<u>(122,453)</u>	<u>(1,166)</u>	<u>1,423,421</u>
NON-OPERATING REVENUES (EXPENSES)						
Net loss from joint venture	-	-	(28,193)	-	-	(28,193)
Interest income - nonrestricted assets	35,446	58	9,519	312	-	45,335
Interest income - restricted assets	-	-	-	-	1,116	1,116
Interest expense	(428,108)	(6,015)	(1,007)	(1,375)	-	(436,505)
Total non-operating revenues (expenses)	<u>(392,662)</u>	<u>(5,957)</u>	<u>(19,681)</u>	<u>(1,063)</u>	<u>1,116</u>	<u>(418,247)</u>
Income (loss) before capital contributions and transfers	<u>541,262</u>	<u>60,160</u>	<u>527,318</u>	<u>(123,516)</u>	<u>(50)</u>	<u>1,005,174</u>
CAPITAL CONTRIBUTIONS	<u>124,624</u>	<u>55,062</u>	<u>586,909</u>	<u>37,460</u>	<u>-</u>	<u>804,055</u>
TRANSFERS						
Transfers out	(236,574)	-	(833,147)	-	-	(1,069,721)
Transfers in	8,822	8,113	4,918	36,492	-	58,345
Total transfers	<u>(227,752)</u>	<u>8,113</u>	<u>(828,229)</u>	<u>36,492</u>	<u>-</u>	<u>(1,011,376)</u>
Change in net position	<u>438,134</u>	<u>123,335</u>	<u>285,998</u>	<u>(49,564)</u>	<u>(50)</u>	<u>797,853</u>
NET POSITION, beginning of year	<u>35,544,800</u>	<u>596,409</u>	<u>4,739,652</u>	<u>641,983</u>	<u>94,497</u>	<u>41,617,341</u>
NET POSITION, end of year	<u>\$ 35,982,934</u>	<u>\$ 719,744</u>	<u>\$ 5,025,650</u>	<u>\$ 592,419</u>	<u>\$ 94,447</u>	<u>\$ 42,415,194</u>

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

CITY OF PERRY, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Water and Sewerage System	Stormwater Utility Fund	Gas System	Solid Waste	Nonmajor Revolving Loan Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 8,138,253	\$ 757,552	\$ 4,617,766	\$ 2,107,944	\$ -	\$ 15,621,515
Payments to suppliers	(4,922,438)	(278,192)	(3,661,695)	(1,587,896)	(681)	(10,450,902)
Payments to employees	(32,061)	(290,872)	(247,727)	(536,573)	-	(1,107,233)
Net cash provided by (used in) operating activities	<u>3,183,754</u>	<u>188,488</u>	<u>708,344</u>	<u>(16,525)</u>	<u>(681)</u>	<u>4,063,380</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	8,822	8,113	4,918	36,492	-	58,345
Transfers out	(236,574)	-	(833,147)	-	-	(1,069,721)
Net cash provided by (used in) noncapital financing activities	<u>(227,752)</u>	<u>8,113</u>	<u>(828,229)</u>	<u>36,492</u>	<u>-</u>	<u>(1,011,376)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(7,852,032)	(38,268)	(126,348)	-	-	(8,016,648)
Payments on bonds	(627,000)	-	-	-	-	(627,000)
Principal paid on notes payable and capital leases	(54,423)	(63,493)	(13,045)	(13,066)	-	(144,027)
Proceeds from notes payable and capital leases	6,715,247	-	19,491	149,560	-	6,884,298
Interest paid	(366,482)	(7,557)	(962)	(1,079)	-	(376,080)
Net cash provided by (used in) capital and related financing activities	<u>(2,184,690)</u>	<u>(109,318)</u>	<u>(120,864)</u>	<u>135,415</u>	<u>-</u>	<u>(2,279,457)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(19,210)	-	(7,873)	-	-	(27,083)
Proceeds from revolving loans	-	-	-	-	13,408	13,408
Cash disbursed for new revolving loans	-	-	-	-	(5,920)	(5,920)
Interest received	35,446	58	9,519	312	1,116	46,451
Net cash provided by investing activities	<u>16,236</u>	<u>58</u>	<u>1,646</u>	<u>312</u>	<u>8,604</u>	<u>26,856</u>
Increase (decrease) in cash and cash equivalents	787,548	87,341	(239,103)	155,694	7,923	799,403
Cash and cash equivalents:						
Beginning of year	<u>3,354,323</u>	<u>20,953</u>	<u>1,591,648</u>	<u>319,669</u>	<u>60,528</u>	<u>5,347,121</u>
End of year	<u>\$ 4,141,871</u>	<u>\$ 108,294</u>	<u>\$ 1,352,545</u>	<u>\$ 475,363</u>	<u>\$ 68,451</u>	<u>\$ 6,146,524</u>
Classified as:						
Cash and cash equivalents	\$ 2,438,718	\$ 108,294	\$ 1,349,624	\$ 325,803	\$ -	\$ 4,222,439
Restricted assets, cash	1,703,153	-	2,921	149,560	68,451	1,924,085
Total cash and cash equivalents	<u>\$ 4,141,871</u>	<u>\$ 108,294</u>	<u>\$ 1,352,545</u>	<u>\$ 475,363</u>	<u>\$ 68,451</u>	<u>\$ 6,146,524</u>

(Continued)

CITY OF PERRY, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Water and Sewerage System	Stormwater Utility Fund	Gas System	Solid Waste	Nonmajor Revolving Loan Fund	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 933,924	\$ 66,117	\$ 546,999	\$ (122,453)	\$ (1,166)	\$ 1,423,421
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	1,576,790	88,104	86,290	61,289	-	1,812,473
Amortization of premium	(98,586)	-	-	-	-	(98,586)
Provision for landfill closure/post-closure care costs	-	-	-	1,090	-	1,090
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	618,707	7,637	72,167	(4,584)	-	693,927
Intergovernmental receivable	(800,940)	-	-	-	-	(800,940)
Prepaid expenses	(3,360)	127	209	(355)	-	(3,379)
Due from other funds	(13,791)	1,982	6,675	20,103	-	14,969
Increase (decrease) in:						
Accounts payable	268,416	2,837	(24,901)	13,053	-	259,405
Retainage payable	615,075	-	-	-	-	615,075
Accrued liabilities	14,415	(659)	225	336	-	14,317
Compensated absences payable	-	6,084	-	8,594	-	14,678
Due to other funds	73,104	16,259	20,680	6,402	485	116,930
Net cash provided by (used in) operating activities	<u>\$ 3,183,754</u>	<u>\$ 188,488</u>	<u>\$ 708,344</u>	<u>\$ (16,525)</u>	<u>\$ (681)</u>	<u>\$ 4,063,380</u>
Noncash capital and related financing activities:						
Contributions of capital assets	\$ 124,624	\$ 55,062	\$ 586,909	\$ 37,460	\$ -	\$ 804,055
Proceeds from issuance of capital leases	19,491	-	19,491	149,560	-	188,542
Amortization of deferred loss from refunding	64,653	-	-	-	-	64,653
Noncash investing activities:						
Change in investment in JOTL	-	-	(28,193)	-	-	(28,193)

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

CITY OF PERRY, GEORGIA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2020**

	<u>Agency Fund</u>
ASSETS	
Cash	\$ 48,361
Total assets	<u>\$ 48,361</u>
LIABILITIES	
Payable from assets	
Confiscated assets pending disposition	\$ 48,361
Total liabilities	<u>\$ 48,361</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Perry, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

A. The Financial Reporting Entity

The City was reincorporated by the General Assembly of Georgia in 1983 by Georgia Laws (Act No. 444) through the enactment of a charter effective July 1, 1983. The City was originally chartered in 1824.

City government is conducted by a nonpartisan Mayor and Council. The Council is composed of six elected members, two from each of three districts. Members serve staggered four-year terms. Council selects a City Manager who oversees day-to-day operations of the City.

The City provides numerous municipal services authorized by its charter and operates four major utilities.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (primary government) and its component units. The component units discussed below are included in the City’s reporting entity because of the significance of their operational and financial relationship with the City.

In conformity with generally accepted accounting principles, as set forth in the Statement of the GASB No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the component units’ financial statements have been included as discretely presented. All of the City’s component units have a June 30 year-end.

Blended Component Units

The Perry Public Facilities Authority (the “PPFA”) was created to authorize the issuance of revenue bonds. The PPFA consists of seven members. The Mayor and Council members of the City appoint one member whose term on the PPFA shall correspond with the term of the Mayor or Council member who appointed such member. Of these seven members, one serves as chairperson and another serves as vice-chairperson. Four members of the PPFA shall constitute a quorum. The members shall not be compensated for their services, however shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties. The PPFA has the same address as the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Financial Reporting Entity (Continued)

Discretely Presented Component Units

The Perry Area Convention and Visitors Bureau (the "Visitors Bureau") was created to promote tourism, trade and conventions for the City. The governing board consists of nine regular members and four ex-officio members. The Mayor and City Council of the City appoint the regular members. Five of these members must be recommended by the Perry Area Chamber of Commerce Board of Directors. The ex-officio members are the executive director of the Visitors Bureau, the City Manager, the executive director of the Perry Area Chamber of Commerce and the executive director of the Georgia National Fairgrounds and Agricenter. The City provides the major support to the Visitors Bureau through the collection and remittance of hotel/motel taxes. The Visitors Bureau is reported as a governmental fund type. Complete financial statements for the Visitors Bureau may be obtained at the entity's administrative offices:

Perry Area Convention and Visitors Bureau
101 Courtney Hodges Boulevard
Perry, Georgia 31069

The Perry Downtown Development Authority (the "Authority") was created to revitalize and redevelop the central business district of the City, to develop and promote for the public good and general welfare, trade, commerce, industry and employment opportunities. The Authority is governed by seven directors appointed by the Mayor and City Council. The City provides support to the Authority relative to the yearly operating budget requirements. The Authority is reported as a governmental fund type. Complete financial statements for the Authority may be obtained at the entity's administrative offices:

Perry Downtown Development Authority
1211 Washington Street
Perry, Georgia 31069

The Perry Industrial Building Authority (the "Building Authority") was created to encourage and promote the expansion and development of industrial and commercial facilities in the City. The Building Authority is governed by two directors appointed by the Mayor and City Council and three ex-officio members – the mayor, the chairman of the Houston County Board of Commissioners and the president of the Perry Area Chamber of Commerce. The City does have the ability to impose its will on the Building Authority relative to the use of existing funds. The Building Authority's financial statements consist of a general fund only and is reported as a governmental fund type. The Building Authority has not issued separate financial statements for the current fiscal year.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its discretely presented component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, Special Purpose Local Option Sales Taxes ("SPLOST"), franchise taxes, other taxes, licenses and permits, intergovernmental revenues, investment earnings and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

Fire Protection Fund – The Fire Protection Fund accounts for the fire protection fee used to fund maintenance, operation and staff expenses associated with the Davis Farm fire station.

SPLOST 2012 Fund – The Special Purpose Local Option Sales Tax Fund ("SPLOST") accounts for the City's construction and improvement projects based on the 1 cent special purpose sales tax approved by the voters of the City and Houston County.

SPLOST 2018 Fund – The Special Purpose Local Option Sales Tax Fund ("SPLOST") accounts for the City's construction and improvement projects based on the 1 cent special purpose sales tax approved by the voters of the City and Houston County.

PPFA Capital Projects Fund – This fund accounts for capital projects of the City from the Perry Public Facilities Authority Fund that are not required to be reported in a separate fund.

Perry Public Facilities Authority Fund – The Perry Public Facilities Authority Fund is a blended component unit of the City of Perry that is used to account for the issuance of revenue bonds which are used to fund public facility construction and improvement projects.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The City reports the following major proprietary funds:

Water and Sewerage System – accounts for the operations and maintenance of the City's water and wastewater services to the residents and businesses of the City.

Stormwater Utility Fund – accounts for the operations and maintenance of the City's stormwater management program.

Gas System – accounts for the operations and maintenance of the City's natural gas services to the residents and businesses of the City.

Solid Waste Fund – accounts for the operation and maintenance of the City's trash, leaf and limb collections to the residents and businesses of the City.

Additionally, the City reports the following fund type:

Fiduciary Fund – accounts for money confiscated and held pending disposition by courts.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's public utilities and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

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 ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Deposits and Investments

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

Investments - Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value.

F. Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received, including property taxes and amounts due from other funds and grants. All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

G. Interfund Receivables, Payables and Transfers

In the fund financial statements, balances that are representative of lending/borrowing arrangements, outstanding at the end of the fiscal year, are referred to as "interfund receivables/interfund payables". In the government-wide financial statements these balances are netted and reported as "internal balances".

H. Inventories

In the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in/first-out ("FIFO") basis and are expensed when used (i.e. the consumption method). In the fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a FIFO basis. Inventories of supplies are reported at cost, whereas inventories held for resale are reported at lower of cost or market.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditure/expense when consumed rather than when purchased.

J. Restricted Assets

Resources set aside in proprietary funds for repayment of bonds and renewal and extension in the amount of \$1,693,591 are classified as restricted assets because their use is limited by bond covenants. A corresponding portion of net position is segregated by its classification as "restricted for debt service".

Customers' meter deposits are classified as restricted assets because their use is limited.

K. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Preliminary and interim costs incurred by governmental funds for capital projects are reported as "construction in progress". Costs related to abandoned projects are expensed when the project is abandoned.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City contracted with a third-party appraiser for the initial recording of these assets through historical costs and City records. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (Continued)

Capital assets are depreciated over their estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Furniture and fixtures	5 – 7 years
Machinery and equipment	3 – 10 years
Lines and Mains	50 years
Buildings and improvements	10 – 50 years
Land improvements	10 – 25 years
Infrastructure	50 years

L. Compensated Absences

Annual leave is earned by all permanent City employees and may be accumulated and carried over to a maximum of 240 hours per employee (366 hours for firefighters). In accordance with GASB Statement 16, the City accrues the cost of annual leave when the leave is earned. This cost is accrued in the government-wide and proprietary fund financial statements.

Sick leave is earned by all full-time City employees and 1,280 hours may be accumulated (1,792 for firefighters). Employees leaving the City are not entitled to payment for accumulated sick leave. In accordance with GASB Statement 16, the City does not accrue sick leave because employees do not receive “termination payments” upon leaving the City.

M. Long-Term Obligations

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. One is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and being amortized over the life of the refunding debt. The second and third items of deferred outflows of resources relates to pensions. Any contributions made by the City to the pension plan before year-end but subsequent to the measurement date are reported as deferred outflows of resources. Certain changes in the net pension asset are recognized against pension expense over time instead of all being recognized in the year of occurrence. The difference between projected investment return on pension investments and actual return on those investments is deferred and amortized against pension expense over a five-year period.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources, property taxes and intergovernmental revenues. This amount is deferred and recognized as an inflow of resources in the period the amounts become available. The City also has a pension related item that qualifies for reporting in this category.

O. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Perry Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity

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

Fund Balance

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

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Mayor and City Council through the adoption of a resolution. The Mayor and City Council may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Mayor and City Council have authorized the City Manager or his/her designee to assign fund balance.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

Fund Balance Flow Assumptions

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

- Committed
- Assigned
- Unassigned

The City does not have a formal minimum fund balance policy.

Net Position

Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Q. Allocation of Administrative Costs

At the governmental fund level, the City allocates administrative costs to the various departments and funds for which services are provided as allowable by the benefiting fund. The allocations are based upon the City's estimate of each fund's share of the services.

R. Tax Abatement Agreements

The City is required to disclose information for any tax abatement agreements, either entered by the City, or agreements entered into by other governments that reduce the City's tax revenue. As of June 30, 2020, the City did not have any such agreements, either entered into by the City or by other governments that exceeded the quantitative threshold for disclosure.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

An annual appropriated budget is adopted by ordinance for all fund types except fiduciary funds, which are not budgeted and capital projects funds, which have project length budgets. The budgets are prepared on the modified accrual basis for governmental fund types and on the accrual basis for proprietary fund types and are consistent with generally accepted accounting principles. All annual appropriations lapse at the end of the fiscal year with the exception of the capital projects funds. On or before the last day of February each year, all departments of the City submit requests for appropriations to the City Manager so that a budget may be prepared. Appropriated budgets are compiled by the City Manager, finance officer and department heads. Before the first day of May, the proposed budget is presented to the Mayor and Council for review. After holding a public hearing, a final budget is prepared and adopted not later than June 30th. Budgetary control is maintained at the department level. Department heads, with the approval of the City Manager, may transfer appropriations within their department. Interdepartmental transfers require the approval of City Council. For fiscal year ended June 30, 2020, expenditures exceeded final amended budgets as follows:

Fund or Department	Excess
General Fund:	
General Government:	
Mayor	\$ 218
City Council	5
Municipal Court	32
Public Safety	33,618
Public Works	73,401
Fire Protection Fund:	
Public Safety	3,376
Confiscated Assets Fund:	
Public Safety	100
Hotel/Motel Tax:	
General Government	1,472
Capital Outlay	37
CDBG Fund:	
General Government	73
Municipal Court Technology Fund:	
General Government	32

These over-expenditures were funded by under-expenditures in other departments.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Georgia laws of the Official Code of Georgia Annotated (“O.C.G.A.”) §36-83-4 and §36-82-7 limit investments of the City. The City has no investment policy that would further limit its investment choices. State statute authorizes the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the local government investment pool (“Georgia Fund 1”). As of June 30, 2020, the City’s investment in the Georgia Fund 1 was rated AA+ by Standard & Poor’s. Shares sold and redeemed are based on \$1 per share. The reported value of the pool is the same as the fair value of the pool shares. The Georgia Fund 1 is managed by the Office of the State Treasurer.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities combined in the aggregate totaling not less than 110% of the public funds held. As of June 30, 2020, the City’s bank balances of deposits are entirely covered under insurance or collateralization with securities held by the City’s agent in the City’s name.

As of June 30, 2020, the City had the following investments:

<u>Investment Type</u>	<u>Maturities (Days)</u>	<u>Fair Value</u>
Georgia Fund 1	38	<u>\$ 5,310,017</u>
Total Fair Value		<u><u>\$ 5,310,017</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The only investments held by the City as of June 30, 2020, are maintained in Georgia Fund 1 and are not subject to level disclosure.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

NOTE 4. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land and land improvements	\$ 10,767,186	\$ 480,150	\$ (373,982)	\$ 40,638	\$ 10,913,992
Construction in progress	1,705,514	4,410,646	(3,850)	(2,124,107)	3,988,203
Total capital assets, not being depreciated	<u>12,472,700</u>	<u>4,890,796</u>	<u>(377,832)</u>	<u>(2,083,469)</u>	<u>14,902,195</u>
Capital assets, being depreciated:					
Buildings and improvements	8,532,728	106,788	-	755,215	9,394,731
Land improvements	1,307,191	18,445	-	43,609	1,369,245
Furnitures and fixtures	32,550	-	-	24,155	56,705
Machinery and equipment	8,678,059	739,886	-	-	9,417,945
Infrastructure	56,246,667	461,864	-	456,435	57,164,966
Total capital assets, being depreciated	<u>74,797,195</u>	<u>1,326,983</u>	<u>-</u>	<u>1,279,414</u>	<u>77,403,592</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,776,862)	(262,950)	-	-	(3,039,812)
Land improvements	(1,014,973)	(31,523)	-	-	(1,046,496)
Furnitures and fixtures	(45,194)	(4,361)	-	-	(49,555)
Machinery and equipment	(5,771,831)	(1,794,372)	-	-	(7,566,203)
Infrastructure	(24,575,996)	(1,266,420)	-	-	(25,842,416)
Total accumulated depreciation	<u>(34,184,856)</u>	<u>(3,359,626)</u>	<u>-</u>	<u>-</u>	<u>(37,544,482)</u>
Total capital assets, being depreciated, net	<u>40,612,339</u>	<u>(2,032,643)</u>	<u>-</u>	<u>1,279,414</u>	<u>39,859,110</u>
Governmental activities capital assets, net	<u>\$ 53,085,039</u>	<u>\$ 2,858,153</u>	<u>\$ (377,832)</u>	<u>\$ (804,055)</u>	<u>\$ 54,761,305</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land and easements	\$ 405,972	\$ 11,523	\$ -	\$ -	\$ 417,495
Construction in progress	3,974,710	7,453,974	-	456,918	11,885,602
Total capital assets, not being depreciated	<u>4,380,682</u>	<u>7,465,497</u>	<u>-</u>	<u>456,918</u>	<u>12,303,097</u>
Capital assets, being depreciated:					
Structures, equipment and lines	71,994,586	551,151	-	347,137	72,892,874
Less accumulated depreciation for:					
Structures, equipment and lines	(28,066,882)	(1,812,473)	-	-	(29,879,355)
Total capital assets, being depreciated, net	<u>43,927,704</u>	<u>(1,261,322)</u>	<u>-</u>	<u>347,137</u>	<u>43,013,519</u>
Business-type activities capital assets, net	<u>\$ 48,308,386</u>	<u>\$ 6,204,175</u>	<u>\$ -</u>	<u>\$ 804,055</u>	<u>\$ 55,316,616</u>

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

Governmental activities:	
General government	\$ 92,596
Public safety	1,476,533
Public works	1,373,623
Parks and recreation	209,889
Housing and development	206,985
Total depreciation expense - governmental activities	<u>\$ 3,359,626</u>
Business-type activities:	
Water and sewerage system	\$ 1,576,790
Stormwater utility fund	88,104
Gas system	86,290
Solid waste	61,289
Total depreciation expense - business-type activities	<u>\$ 1,812,473</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2020, is as follows:

	Receivable Fund					
	Governmental Funds				Enterprise Funds	
	General	2018 SPLOST	PPFA Capital Projects Fund	Nonmajor Governmental	Water and Sewerage	Total
Payable Fund:						
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Protection Fund	5,323	-	-	-	-	5,323
SPLOST 2018 Fund	-	-	1,460	-	-	1,460
PPFA Capital Projects Fund	-	7,401	-	-	-	7,401
Nonmajor Governmental	117,757	-	3,850	280,778	-	402,385
Water and Sewerage System	106,193	-	-	-	-	106,193
Stormwater Utility Fund	16,564	-	-	-	-	16,564
Gas System	5,311	-	-	-	28,797	34,108
Solid Waste	6,402	-	-	-	-	6,402
Nonmajor Enterprise	1,116	-	-	-	-	1,116
PPFA - Component Unit	-	-	21,822	-	-	21,822
	\$ 258,666	\$ 7,401	\$ 27,132	\$ 280,778	\$ 28,797	\$ 602,774

These amounts represent short-term receivables and payables. The balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund transfers for the year ended June 30, 2020, is as follows:

	Fund Transfers Out						
	General Fund	SPLOST 2018 Fund	Water and Sewerage System	Perry Public Facilities Authority	Gas System	Nonmajor Governmental	Total
Fund Transfers In:							
General Fund	\$ -	\$ -	\$ 236,574	\$ -	\$ 498,774	\$ 433,199	\$ 1,168,547
Fire Protection Fund	40,105	-	-	-	-	-	40,105
SPLOST 2018 Fund	-	-	-	61,593	-	-	61,593
PPFA Capital Projects Fund	9,275	-	-	2,634,285	-	-	2,643,560
Water and Sewerage System	8,822	-	-	-	-	-	8,822
Gas System	4,918	-	-	-	-	-	4,918
Stormwater Fund	8,113	-	-	-	-	-	8,113
Solid Waste Fund	36,492	-	-	-	-	-	36,492
Nonmajor Governmental	185,173	27,843	-	-	334,373	-	547,389
	\$ 292,898	\$ 27,843	\$ 236,574	\$ 2,695,878	\$ 833,147	\$ 433,199	\$ 4,519,539

Transfers are used to: 1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, 2) close out funds no longer used by the City, and 3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LANDFILL POST-CLOSURE CARE COSTS

The City has closed its Chapel Road/Ford Creek landfill site and has received a closure certificate from the Georgia Environmental Protection Division (“EPD”). State and federal laws and regulations require the City to perform certain maintenance and monitoring functions for 30 years after closure. The EPD approved total assured costs for this fiscal year are \$61,654 and are reported as a current and non-current liability in the Solid Waste Fund. Actual costs may be higher than estimates due to inflation, changes in technology or regulations. During 2020, the City increased/adjusted these closure costs for inflation by \$1,090.

NOTE 7. LONG-TERM DEBT

Primary Government

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of equipment and for system expansion and refunding. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Interest rates vary from 2.44% to 3.74%. Total cost of assets acquired under these capital leases, governmental activities and business-type activities, as of June 30, 2020, is \$13,083,880. Total accumulated depreciation on assets acquired under capital leases as of June 30, 2020 is \$8,725,700. Cost of equipment included in the governmental activities statement of net position is \$1,419,074, which includes \$5,883,388 of accumulated depreciation. Cost of equipment and system expansion and refunding included in the business-type activities statement of net position is \$2,939,106, which includes \$2,842,312 of accumulated depreciation. Depreciation expense on assets acquired under capital leases for the year ended June 30, 2020 is \$1,076,485 for governmental activities and \$238,066 for business-type activities.

Annual debt service requirements to maturity for these capital leases are as follows:

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 780,344	\$ 63,796	\$ 844,140	\$ 161,693	\$ 16,110	\$ 177,803
2022	502,213	43,634	545,847	155,119	11,161	166,280
2023	323,545	31,698	355,243	127,453	6,703	134,156
2024	295,272	22,818	318,090	51,630	3,055	54,685
2025	175,686	15,637	191,323	22,007	1,901	23,908
2026 – 2028	374,911	16,424	391,335	37,606	1,661	39,267
Total	<u>\$ 2,451,971</u>	<u>\$ 194,007</u>	<u>\$ 2,645,978</u>	<u>\$ 555,508</u>	<u>\$ 40,591</u>	<u>\$ 596,099</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

Capital Leases (Continued)

Although the City is not obligated to make annual appropriations under these leases, failure to do so will result in forfeiture of the assets acquired with these lease proceeds.

Loans – General Obligation Debt

On November 21, 2017, the City entered into a contract with the Georgia Environmental Finance Authority for a Drinking Water State Revolving Loan Fund grant/loan to provide financing for constructing a new water plant and wells. The old water treatment plant will be decommissioned and two old wells will be abandoned. The note is as follows at June 30, 2020:

<u>Original Amount</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Outstanding Balance</u>
\$ 11,250,000	1.89%	20 years	\$ 9,508,118

The loan is to be paid on a monthly basis starting on the earlier of: 1) the completion date, 2) March 1, 2020, or 3) the date that the loan evidenced by this note is fully disbursed. This loan is still in the drawdown phase so no maturity schedule will be presented. The City covenants and agrees that it shall, to the extent necessary, levy an annual ad valorem tax on all taxable property within the City as necessary to produce revenues that will be sufficient to fulfill the City's obligations of this note. The outstanding note from direct borrowings contains a provision that in an event of default, the lender may declare the outstanding principal and accrued interest immediately due and may terminate its remaining commitment (if any) to make further advances of the loan.

Revenue Bonds

The City's business-type activity, the Water and Sewerage System, has revenue bonds payable solely from revenues generated by fund activities. The bond indentures contain restrictions on the use of bond proceeds and fund revenues as well as providing for sinking funds, renewal and extension funds and minimum fund operating requirements (revenue bond coverage).

On September 18, 2007, the City issued \$9,445,000 in Series 2007 Revenue Bonds to provide for system expansion. The interest rate varies from 3.6% to 4.0%. These bonds were defeased during the year with the issuance of the 2016 Revenue Bonds as described in the following paragraph.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

Revenue Bonds (Continued)

On May 14, 2013, the City issued \$5,304,000 in Revenue Bonds with interest rates ranging from 1.92% to 2.45%. The proceeds were used to refund \$1,558,876 of the 1998 Revenue Bonds and advance refund a portion of the outstanding 2005 Revenue Bonds in the amount of \$3,365,000. The net proceeds of \$3,620,936 (including a \$255,936 premium and after payment of \$124,188 in issuance costs) were deposited in an escrow account to provide funds for the future debt payments on the portion of the advance refunded bonds. The advanced refunding resulted in a deferred loss of \$366,836. As a result, the refunded portion of the 2005 Revenue Bonds is considered defeased and the liability for those bonds has been removed from the statement of net position.

On August 2, 2016, The City issued \$8,595,000 in Revenue Bonds with interest rates ranging from 2.00% to 5.00%. The proceeds were used to advance refund \$9,155,000 of the 2007 Revenue Bonds and prepay in full \$173,263 of the loan from Georgia Environmental Facilities Authority. The net proceeds of \$8,202,123 (including a \$1,209,559 premium and after payment of \$219,614 in issuance cost) were deposited in an escrow account to provide funds for the future debt payments on the portion of the advance refunded bonds. The advanced refunding resulted in a deferred loss of \$503,447, which will be amortized over the life of the bonds. As a result, the refunded portion of the 2007 Revenue Bonds is considered defeased and the liability for those bonds has been removed from the statement of net position.

On April 4, 2017, The Perry Public Facilities Authority issued \$2,255,000 in Revenue Bonds to provide funds for improvements to certain parks and recreation facilities of the City. Interest rates range from 2.00% to 4.00%.

On March 5, 2019, The Perry Public Facilities Authority issued \$7,710,000 in Revenue Bonds to provide funds for a gas main extension, improvements to the water and sewer system, parks and recreation improvements and acquisition of property for a new City Hall. Interest rates range from 3.00% to 4.00%.

The 2013 and 2016 Revenue Bonds are parity bonds in that they both have a first lien on water and sewerage system assets and revenues. The following summarizes the debt service requirements of the Revenue Bonds.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

Revenue Bonds (Continued)

Fiscal Year Ending June 30,	2013 Revenue Bonds		2016 Revenue Bonds		2017 Revenue Bonds		2019 Revenues		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 574,000	\$ 45,158	\$ 65,000	\$ 312,988	\$ 90,000	\$ 64,688	100,000	\$ 290,406	\$ 829,000	\$ 358,146
2022	582,000	34,138	70,000	310,988	95,000	61,988	100,000	287,406	847,000	700,220
2023	593,000	22,963	70,000	309,238	95,000	59,138	100,000	284,406	858,000	681,595
2024	603,000	11,578	75,000	307,063	100,000	56,288	100,000	281,406	878,000	662,185
2025	-	-	690,000	292,138	105,000	53,288	105,000	278,406	900,000	629,832
2026 – 2030	-	-	3,805,000	1,099,519	560,000	218,140	590,000	1,304,231	4,955,000	2,621,890
2031 – 2035	-	-	3,635,000	271,850	655,000	127,626	1,420,000	1,226,631	5,710,000	1,626,107
2036 – 2040	-	-	-	-	295,000	17,800	1,305,000	946,031	1,600,000	963,831
2041 – 2045	-	-	-	-	-	-	1,945,000	632,631	1,945,000	632,631
2046 – 2049	-	-	-	-	-	-	1,845,000	251,938	1,845,000	251,938
Total	<u>\$ 2,352,000</u>	<u>\$ 113,837</u>	<u>\$ 8,410,000</u>	<u>\$ 2,903,784</u>	<u>\$ 1,995,000</u>	<u>\$ 658,956</u>	<u>\$ 7,610,000</u>	<u>\$ 5,783,492</u>	<u>\$ 20,367,000</u>	<u>\$ 9,128,375</u>

Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Revenue bonds	\$ 9,795,000	\$ -	\$ (190,000)	\$ 9,605,000	\$ 190,000
Plus unamortized premium	352,027	-	(4,826)	347,201	-
Revenue bonds, net	10,147,027	-	(194,826)	9,952,201	190,000
Capital leases payable	2,910,735	407,028	(865,792)	2,451,971	780,344
Compensated absences	517,199	243,148	(70,636)	689,711	260,855
	<u>\$ 13,574,961</u>	<u>\$ 650,176</u>	<u>\$ (1,131,254)</u>	<u>\$ 13,093,883</u>	<u>\$ 1,041,199</u>
Business-type activities					
Revenue bonds	\$ 11,389,000	\$ -	\$ (627,000)	\$ 10,762,000	\$ 639,000
Plus unamortized premium	1,011,130	-	(98,586)	912,544	-
Revenue bonds, net	12,400,130	-	(725,586)	11,674,544	639,000
Notes from direct borrowings	2,812,362	6,695,756	-	9,508,118	-
Capital lease payable	510,993	188,542	(144,027)	555,508	161,693
Compensated absences	34,877	17,383	(2,705)	49,555	17,596
Landfill post-closure care costs	60,564	1,090	-	61,654	3,500
	<u>\$ 15,818,926</u>	<u>\$ 6,902,771</u>	<u>\$ (872,318)</u>	<u>\$ 21,849,379</u>	<u>\$ 821,789</u>

For governmental activities, compensated absences are generally liquidated by the General Fund. For business-type activities, compensated absences and landfill post-closure care costs are generally paid for by the Solid Waste Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. TAX REVENUE

Property Tax

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year and personal property tax returns must be filed for tax purposes by March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Board of Tax Assessors of Houston County.

Exemptions are permitted for certain inventories. There are other exemptions provided by state and local laws.

Upon completion of all assessments and tax returns, the information is turned over to the County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated 40% of fair market value. The State Revenue Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The property tax calendar is as follows:

	Real/Personal Property (Excluding Vehicles)	Motor Vehicles
Assessment date	January 1	January 1
Levy date	September 23	January 1
Due dates and collection dates	December 20	Staggered

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

Hotel/Motel Excise Tax

The City levies and collects a 7% lodging tax which is reported in the hotel/motel tax special revenue fund. In 2012, an amendment was made to the contract with the Visitors Bureau relative to the annual allocation. Under the terms of the new contract, the City is to pay the Visitors Bureau an annual allocation the City determines to be appropriate based on the Visitors Bureau's approved budget from the tourism promotion portion of the total accommodation excise tax collected. In no case shall that amount be less than 25% of the total tax collections. The allocations are paid in monthly installments. The contract may be canceled by either party upon a 90-day notice.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. TAX REVENUE (CONTINUED)

Hotel/Motel Excise Tax (Continued)

A summary of the hotel/motel excise tax expenditures and receipts for the fiscal year ended June 30, 2020, is as follows:

<u>Expenditure by Purpose</u>	<u>Expenditures</u>	<u>Tax Receipts</u>	<u>Percentage</u>
Perry Area Convention and Visitors Bureau	\$ 339,715	\$ 339,715	38%
General Fund	559,987	555,886	62%
Total	<u>\$ 899,702</u>	<u>\$ 895,601</u>	<u>100%</u>

The schedule above reflects current year revenues and expenditures relative to current year revenues. The City does not transfer their entire portion of hotel/motel excise tax receipts to the General Fund. Therefore, the fund reports a year-end fund balance.

NOTE 9. PENSION PLAN

Plan Description

The City, as authorized by the City Council, has established a non-contributory defined benefit pension plan (the "City of Perry Retirement Plan"), covering substantially all of the City's employees. The City of Perry Retirement Plan is administered through the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The City of Perry Retirement Plan provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Benefits are provided by the City of Perry Retirement Plan whereby retirees receive between 1% and 1.75% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The City Council, in its role as the City of Perry Retirement Plan sponsor, has the governing authority to establish and amend, from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report on GMEBS that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Plan Membership. As of January 1, 2020, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	117
Inactive plan members entitled to, but not receiving benefits	156
Total	<u>273</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Freezing of Plan

Effective January 1, 2012, the City of Perry Retirement Plan is frozen to new entrants and participants (including officials) and shall not accrue any additional benefits. Participants are 100% vested in their accrued benefits. Due to the City of Perry Retirement Plan freeze, the asset method was changed to not allow the actuarial value of the assets to exceed 120% of fair value. There were no other changes in plan provisions, methods, or assumptions in this valuation.

Contributions

The City of Perry Retirement Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the City of Perry Retirement Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the City of Perry Retirement Plan. The funding policy for the City of Perry Retirement Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. For the year ended June 30, 2020, the active member contribution rate was 0.00% of annual pay and the City's contribution rate was 0.00% of annual payroll due to the City of Perry Retirement Plan being frozen as of January 1, 2012. City contributions to the City of Perry Retirement Plan were \$37,322 for the year ended June 30, 2020.

Net Pension Asset of the City

The City's net pension asset was measured as of September 30, 2019. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2019 with update procedures performed by the actuary to roll forward to the total pension asset measured as of September 30, 2019.

Actuarial Assumptions – The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	N/A
Investment rate of return	7.375%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with gender-distinct rates, set forward two years for males and one year for females.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Asset of the City (Continued)

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2019.

Cost of living adjustments were assumed to be 2.25% although the City of Perry Retirement Plan allowance for annual cost of living adjustment is variable, as established by the City Council, in an amount not to exceed 5%.

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

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	7.40%
Domestic fixed income	20%	4.78%
Real estate	10%	5.10%
Global fixed income	5%	3.06%
Total	100%	

*Rates shown are net of the 2.25% assumed rate of inflation.

Discount Rate – The discount rate used to measure the total pension asset was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. 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 of the projected benefit payments to determine the total pension asset.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Asset of the City (Continued)

Changes in the Net Pension (Asset) Liability of the City – The changes in the components of the net pension (asset) liability of the City for the year ended June 30, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balances at June 30, 2019	\$ 11,116,428	\$ 12,877,260	\$ (1,760,832)
Changes for the year:			
Interest	806,458	-	806,458
Differences between expected and actual experience	(170,683)	-	(170,683)
Assumption changes	219,865		219,865
Contributions - employer	-	37,322	(37,322)
Net investment income	-	354,511	(354,511)
Benefit payments, including refunds of employee contributions	(727,316)	(727,316)	-
Administrative expenses	-	(35,232)	35,232
Net changes	<u>128,324</u>	<u>(370,715)</u>	<u>499,039</u>
Balances at June 30, 2020	<u>\$ 11,244,752</u>	<u>\$ 12,506,545</u>	<u>\$ (1,261,793)</u>

The required schedule of changes in the City's net pension (asset) liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension (asset) liability.

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate – The following presents the net pension (asset) liability of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension asset	\$ (59,515)	\$ (1,261,793)	\$ (2,274,379)

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Asset of the City (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2019, and the current sharing pattern of costs between employer and employee.

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

For the year ended June 30, 2020, the City recognized pension income of \$85,489. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (108,596)
City contributions subsequent to the measurement date	28,166	-
Total	\$ 28,166	\$ (108,596)

City contributions subsequent to the measurement date of \$28,166 are reported as deferred outflows of resources and will be recognized as an increase of the net pension asset in the year ending June 30, 2021. The deferred inflow of resources related to the net difference between projected and actual earnings on pension plan investment of \$108,596 will be recognized in pension expense as follows:

Year ending June 30,	
2021	\$ (177,331)
2022	(104,767)
2023	56,684
2024	116,818
Total	\$ (108,596)

NOTES TO FINANCIAL STATEMENTS

NOTE 10. ICMA RETIREMENT PLANS

Section 401 Plan

In January 2012, the City adopted the City of Perry Defined Contribution Plan in the form of the ICMA Retirement Corporation Governmental Profit Sharing Plan and Trust. All full-time employees and elected and appointed officials are eligible to participate in the plan. There is no minimum age requirement relative to eligibility. However, employees must be actively participating in the 457 plan to be eligible for the employer match. Employer matching contributions shall not exceed 3% of earnings. All full-time employees and elected and appointed officials employed as of December 31, 2011 are considered 100% vested regardless of their length of service with the City. Other vesting in the plan is as follows: one year – 20% vested, two years – 40% vested, three years – 60% vested, four years – 80% vested, and five years – 100% vested. Participant loans are permitted under the plan, subject to plan provisions. Employer contributions for fiscal year ended June 30, 2020, were \$180,106.

Section 457 Plan

In January 2012, the City adopted a 457 Deferred Compensation Plan in the form of ICMA Retirement Corporation Deferred Compensation plan and Trust. Per the Plan document, employees may make voluntary pretax contributions to the plan, subject to the limitations. Participant loans are permitted under the plan, subject to plan provisions.

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees, retirees, and their dependents.

The City provides a self-insurance health and dental plan for its employees. This plan is accounted for in the General Fund and funded accordingly to the historical cost of health and dental benefits provided to city employees. The City purchases specific and aggregate stop loss insurance to protect itself in unusual circumstances. Claims payable consist of claims incurred but not yet paid as of June 30, 2020, and were estimated based on the Loss Analysis Report provided by the third-party administrator and pending specific stop loss reimbursements.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT

Changes in claims payable are as follows:

	Year Ended June 30,		
	2020	2019	2018
Beginning	\$ 70,569	\$ 56,276	\$ 321,749
Claims incurred	1,833,061	2,158,790	1,665,480
Claims paid	(1,780,045)	(2,144,497)	(1,930,953)
Ending	\$ 123,585	\$ 70,569	\$ 56,276

The City has property and liability insurance coverage with the Georgia Interlock Risk Management Agency (“GIRMA”). Losses relative to these risks are limited to a \$5,000 deductible provided for in the GIRMA contracts. During the past three years, settlements have not exceeded the coverages.

The City has obtained workers’ compensation insurance through a third-party private insurance company. The policy provides for workers’ compensation coverage for claims in excess of the City’s deductible of \$2,500.

NOTE 12. CONTRACTS

The City has a contract with the Visitors Bureau whereby the Visitors Bureau will staff and maintain a facility for tourism development, visitor information, and a rest area for travelers and for the general promotion of the City. During the term of the contract, the City is required to pay to the Visitors Bureau no less than 25% of all hotel/motel tax revenues collected by the City. The contract may be canceled by either party upon a 90-day notice.

The City has a contract with the Perry Area Chamber of Commerce (the “Chamber”) whereby the Chamber will promote and publicize the City. Under terms of this agreement, the City pays the Chamber \$6,000 a year (\$500 monthly). The term of this contract is from July 1 to June 30, and is reconsidered annually.

The City has entered into various contracts relative to natural gas supply whereby the City, along with other participating municipalities, is jointly and severally liable for costs under these contracts.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 14. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the 11 county middle Georgia area, is a member of the Middle Georgia Regional Commission ("RC") and is required to pay annual dues thereto. During the fiscal year ended June 30, 2020, the City paid \$21,689 in such dues. Membership in an RC is required by O.C.G.A. §50-8-34 which provides for the organizational structure of the RC in Georgia. RC board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Middle Georgia Regional Commission
175 C Emery Highway
Macon, Georgia 31217

The City, together with the cities of Warner Robins, Hawkinsville, and Cochran, Georgia, formed the Jointly-Owned Natural Gas Transmission Line (the "JOTL") in 1953. The JOTL was established to provide maintenance and related services for a natural gas transmission line serving the above cities and their customers. A board of directors, composed of one member from each of the cities, manages the JOTL. The JOTL's major source of revenue consists of reimbursements for operating expenses and capital outlays from member cities. The JOTL's financial records are maintained on a fiscal year ending September 30 of each year. A separately issued financial report is available and may be obtained from:

Jointly-Owned Natural Gas
200 Dunbar Road
Byron, Georgia 31008

NOTES TO FINANCIAL STATEMENTS

NOTE 14. JOINT VENTURES (CONTINUED)

The following is a summary schedule of the JOTL's basic financial statements for the year ended September 30, 2019:

Cash and cash equivalents	\$ 760,118
Other assets	437,557
Property and equipment, net	<u>15,426,271</u>
Total assets	<u>\$ 16,623,946</u>
Liabilities	\$ 12,293,705
Net position - unrestricted	<u>4,330,241</u>
Total liabilities and net position	<u>\$ 16,623,946</u>

As of June 30, 2020, the City has an approximate 15.97% interest in current operations of the JOTL. The City's overall equity interest in the JOTL is approximately 17.1%. This equity interest is recorded in the Gas System Fund's statement of net position.

In March 1994, the Perry-Houston County Airport Authority (the "Airport Authority") was created by renaming the Perry-Fort Valley Airport Authority (H.B. No. 2027, Act No. 718 of the Georgia General Assembly). On May 17, 2004, H.B. No. 1684, Act No. 755 was passed by the Georgia General Assembly amending the membership requirements. Members of the Authority consist of the Mayor of the City and the Chairman of the Houston County Commissioners or their respective designee and five additional members appointed by City Council and County Commissioners. Appointment of a majority of the Airport Authority members alternates between the City and Houston County. Separate financial statements may be obtained from:

Perry-Houston County Airport Authority
P.O. Box 1572
Perry, Georgia 31069

The City does not have an equity interest in the Airport Authority. The City has an ongoing financial interest due to the fact that the Airport Authority's continued operations at current levels depend on the City's financial support. For the fiscal year ended June 30, 2020, the City contributed \$44,400 relative to this support.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. RELATED ORGANIZATIONS

The Mayor of the City is responsible for appointing the members of the Perry Housing Authority. The Perry Housing Authority has a six-member board with staggered terms. The City is also responsible for appointing board members to the Houston County Library Board. The City's accountability for these organizations does not extend beyond making the appointments.

NOTE 16. COMMITMENTS

As of June 30, 2020, the City has commitments relative to various construction projects as follows:

- The City is committed to fund its portion of operating expenses and capital outlay for the JOTL. This cost is not determined at this time.
- The City is committed to fund upgrades to pump stations. The remaining cost of the contract at year-end was approximately \$20,173.20.
- The City is committed to fund construction of a new water treatment plant and well. The remaining cost of the contract at year-end was approximately \$1,605,943.36.
- The City is committed to fund construction in progress for Legacy and Heritage Park. The remaining cost of the contract at year-end was \$35,464.37 and \$122,986.61, respectively.
- The City is committed to fund construction of a high pressure gas main extension. The remaining cost of the contract at year-end was approximately \$252,273.23.
- The City is committed to fund the design and construction of a new administrative building adjacent to the Community Development offices located at 741 Main Street. The cost is not determined at this time.
- The City is committed to the purchase and renovation of the old County Courthouse located at 801 Main Street, which will become the Municipal Court Building. The purchase and renovation cost is estimated at \$2,000,000.
- The City is committed to the construction of stormwater drainage improvements along Inverness Drive. At the close of the fiscal year, design is complete and the project was in bidding phase. The cost is not determined at this time.
- The City is committed to fund the construction of a parking lot and stormwater drainage improvements at Pine Needle Park located at 1020 Country Club Road, Perry GA. At the close of the fiscal year, design is complete and the project was in bidding phase. The cost is not determined at this time.
- The City is committed to fund the construction of stormwater drainage improvements at Rozar Park. At the close of the fiscal year, design was complete and the project was in bidding phase. The cost is not determined at this time.

NOTES TO FINANCIAL STATEMENTS

NOTE 17. NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets on the Government-wide statement of net position as of June 30, 2020, is as follows:

	Governmental Activities	Business-type Activities
Cost of capital assets	\$ 92,305,787	\$ 85,195,971
Less accumulated depreciation	(37,544,482)	(29,879,355)
Book value	<u>54,761,305</u>	<u>55,316,616</u>
Less all capital related debt	(12,404,172)	(21,738,170)
Add unspent bond proceeds	4,333,039	-
Add deferred amount on refunding	-	506,280
Net investment in capital assets	<u><u>\$ 46,690,172</u></u>	<u><u>\$ 34,084,726</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PERRY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET PENSION (ASSET) LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30,

	2020	2019	2018	2017	2016	2015
Total pension liability						
Interest on total pension liability	\$ 806,458	\$ 800,351	\$ 829,027	\$ 832,499	\$ 820,697	\$ 829,065
Differences between expected and actual experience	(170,683)	(9,551)	(65,738)	(253,951)	(59,743)	(169,961)
Changes of assumptions	219,865	-	-	-	-	(193,507)
Benefit payments, including refunds of employee contributions	(727,316)	(691,444)	(621,851)	(624,837)	(592,489)	(554,664)
Other	-	-	(132,420)	-	-	-
Net change in total pension liability	128,324	99,356	9,018	(46,289)	168,465	(89,067)
Total pension liability - beginning	11,116,428	11,017,072	11,008,054	11,054,343	10,885,878	10,974,945
Total pension liability - ending (a)	11,244,752	11,116,428	11,017,072	11,008,054	11,054,343	10,885,878
Plan fiduciary net position						
Contributions - employer	\$ 37,322	\$ 37,038	\$ 39,896	\$ 40,590	\$ 100,850	\$ 134,631
Net investment income	354,511	1,202,270	1,661,181	1,173,604	145,516	1,176,223
Benefit payments, including refunds of employee contributions	(727,316)	(691,444)	(621,851)	(624,837)	(592,489)	(554,664)
Administrative expenses	(35,232)	(38,317)	(41,761)	(25,879)	(30,265)	(24,707)
Net change in plan fiduciary net position	(370,715)	509,547	1,037,465	563,478	(376,388)	731,483
Plan fiduciary net position - beginning	12,877,260	12,367,713	11,330,248	10,766,770	11,143,158	10,411,675
Plan fiduciary net position - ending (b)	12,506,545	12,877,260	12,367,713	11,330,248	10,766,770	11,143,158
City's net pension (asset) liability - ending (a) - (b)	\$ (1,261,793)	\$ (1,760,832)	\$ (1,350,641)	\$ (322,194)	\$ 287,573	\$ (257,280)
Plan fiduciary net position as a percentage of the total pension liability	111.2%	115.8%	112.3%	102.9%	97.4%	102.4%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
City's net pension (asset) liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

Notes to the Schedule

The schedule will present ten years of information once it is accumulated.

CITY OF PERRY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CITY CONTRIBUTIONS FOR THE FISCAL YEAR ENDED JUNE 30,

	2020	2019	2019	2017	2016	2015
Actuarially determined contribution	\$ 37,322	\$ 37,038	\$ 39,896	\$ 40,590	100,850	117,216
Contributions in relation to the actuarially determined contribution	37,322	37,038	39,896	40,590	100,850	117,216
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

Notes to the Schedule

Valuation date

January 1, 2020

Actuarial cost method

Projected unit credit

Actuarial asset valuation method

Sum of actuarial value at the beginning of the year and the cash flows during the year, plus the assumed investment return adjusted by 10% of the amount that the value exceeds or is less than the fair value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of fair value.

Assumed rate of return on investments

7.375%

Projected salary increases

N/A

Cost of living adjustments

2.25%

Amortization method

Closed level dollar for unfunded liability

Remaining amortization period

Remaining amortization period varies for the bases, with a net effective amortization period of 15 years.

Changes in assumptions: Effective with this valuation, the investment return assumption was decreased from 7.50% to 7.375% and the inflation assumption was decreased from 2.75% to 2.25%. In addition, the cost-of-living adjustment assumption was decreased from 2.75% to 2.25%.

The schedule will present ten years of information once it is accumulated.

SUPPLEMENTARY INFORMATION

CITY OF PERRY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Confiscated Assets Fund – This fund accounts for cash received from the sale of confiscated assets and confiscated assets that are no longer subject to court jurisdiction.

CHIP Fund – This fund accounts for money received from the state to provide safe, decent, and affordable housing in Georgia.

CDBG Fund – This fund accounts for money received from the U.S. Department of Housing and Urban Development to fund local community development activities.

Creekwood 2019 CDBG Fund – This fund accounts for money received from the U.S. Department of Housing and Urban Development to fund local community development activities in the Creekwood neighborhood.

2019 CHIP Fund – This fund accounts for money received from the state to provide safe, decent, and affordable housing in Georgia.

Municipal Court Technology Fund – This fund accounts for money received as a surcharge of fines to assist with funding purchases and upgrades to technology equipment used in administering Municipal Court functions.

Hotel/Motel Tax Fund – This fund accounts for the hotel/motel taxes collected and expenditures related to tourism.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Projects Fund – This fund accounts for capital projects of the City that are not required to be reported in a separate fund.

Local Maintenance and Improvement Grant Program (“LMIG Program”) – This fund accounts for revenues received from the State of Georgia Department of Transportation for road improvements.

CITY OF PERRY, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds				
	Confiscated Assets	CHIP	CDBG	Creekwood 2019 CDBG	2019 CHIP
ASSETS					
Cash and cash equivalents	\$ 175,558	\$ -	\$ 100	\$ -	\$ 15,675
Taxes receivable	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 175,558</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 15,675</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 6,550
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,550</u>
FUND BALANCES (DEFICIT)					
Nonspendable:					
Prepaid expenditures	-	-	-	-	-
Restricted for:					
Public safety - police services	175,558	-	-	-	-
Culture and beautification	-	-	-	-	-
Capital outlay	-	-	100	-	9,125
Unassigned:	-	-	-	-	-
Total fund balances (deficits)	<u>175,558</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>9,125</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 175,558</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 15,675</u>

Municipal Court Technology	Hotel/Motel Tax	Total	Capital Projects Funds			Total Nonmajor Governmental Funds
			Capital Projects	LMIG Program	Total	
\$ 86,285	\$ 180,984	\$ 458,602	\$ 283,471	\$ -	\$ 283,471	\$ 742,073
-	66,659	66,659	-	-	-	66,659
-	1,443	1,443	-	-	-	1,443
-	-	-	-	280,778	280,778	280,778
<u>\$ 86,285</u>	<u>\$ 249,086</u>	<u>\$ 526,704</u>	<u>\$ 283,471</u>	<u>\$ 280,778</u>	<u>\$ 564,249</u>	<u>\$ 1,090,953</u>
\$ 2,026	\$ 52,021	\$ 60,597	\$ 3,149	\$ -	\$ 3,149	\$ 63,746
-	503	503	-	-	-	503
-	117,757	117,757	284,628	-	284,628	402,385
<u>2,026</u>	<u>170,281</u>	<u>178,857</u>	<u>287,777</u>	<u>-</u>	<u>287,777</u>	<u>466,634</u>
-	1,443	1,443	-	-	-	1,443
-	-	175,558	-	-	-	175,558
-	77,362	77,362	-	-	-	77,362
84,259	-	93,484	-	280,778	280,778	374,262
-	-	-	(4,306)	-	(4,306)	(4,306)
<u>84,259</u>	<u>78,805</u>	<u>347,847</u>	<u>(4,306)</u>	<u>280,778</u>	<u>276,472</u>	<u>624,319</u>
<u>\$ 86,285</u>	<u>\$ 249,086</u>	<u>\$ 526,704</u>	<u>\$ 283,471</u>	<u>\$ 280,778</u>	<u>\$ 564,249</u>	<u>\$ 1,090,953</u>

CITY OF PERRY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds				
	Confiscated Assets	CHIP	CDBG	Creekwood 2019 CDBG	2019 CHIP
Revenues					
Hotel/motel taxes	\$ -	-	\$ -	\$ -	\$ -
Fines and forfeitures	26,939	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest revenue	194	-	-	-	-
Other revenues	-	-	153,813	128,362	225,792
Total revenues	<u>27,133</u>	<u>-</u>	<u>153,813</u>	<u>128,362</u>	<u>225,792</u>
Expenditures					
General government	-	-	150,773	128,362	216,787
Public safety	30,600	-	-	-	-
Capital outlay	17,525	-	3,040	-	-
Total expenditures	<u>48,125</u>	<u>-</u>	<u>153,813</u>	<u>128,362</u>	<u>216,787</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,992)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,005</u>
Other financing sources (uses)					
Transfers in	-	40	100	-	120
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>40</u>	<u>100</u>	<u>-</u>	<u>120</u>
Net change in fund balances	(20,992)	40	100	-	9,125
Fund balances (deficits), beginning of year	<u>196,550</u>	<u>(40)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ 175,558</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 9,125</u>

			Capital Project Funds			Total Nonmajor Governmental Funds
Municipal Court Technology	Hotel/Motel Tax	Total	Capital Projects	LMIG Program	Total	
\$ -	\$ 895,601	\$ 895,601	\$ -	\$ -	\$ -	\$ 895,601
-	-	26,939	-	-	-	26,939
-	-	-	-	254,478	254,478	254,478
-	103	297	58	132	190	487
104,572	-	612,539	-	-	-	612,539
<u>104,572</u>	<u>895,704</u>	<u>1,535,376</u>	<u>58</u>	<u>254,610</u>	<u>254,668</u>	<u>1,790,044</u>
96,032	455,466	1,047,420	36,315	-	36,315	1,083,735
-	-	30,600	-	-	-	30,600
-	11,037	31,602	383,308	216,652	599,960	631,562
<u>96,032</u>	<u>466,503</u>	<u>1,109,622</u>	<u>419,623</u>	<u>216,652</u>	<u>636,275</u>	<u>1,745,897</u>
8,540	429,201	425,754	(419,565)	37,958	(381,607)	44,147
75,719	30,474	106,453	418,093	22,843	440,936	547,389
-	(433,199)	(433,199)	-	-	-	(433,199)
<u>75,719</u>	<u>(402,725)</u>	<u>(326,746)</u>	<u>418,093</u>	<u>22,843</u>	<u>440,936</u>	<u>114,190</u>
84,259	26,476	99,008	(1,472)	60,801	59,329	158,337
-	52,329	248,839	(2,834)	219,977	217,143	465,982
<u>\$ 84,259</u>	<u>\$ 78,805</u>	<u>\$ 347,847</u>	<u>\$ (4,306)</u>	<u>\$ 280,778</u>	<u>\$ 276,472</u>	<u>\$ 624,319</u>

CITY OF PERRY, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONFISCATED ASSETS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Final Budgeted Amounts	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 26,900	\$ 26,939	\$ 39
Interest revenue	200	194	(6)
Total revenues	<u>27,100</u>	<u>27,133</u>	<u>33</u>
EXPENDITURES			
Current:			
Public safety	30,500	30,600	(100)
Capital outlay	<u>17,600</u>	<u>17,525</u>	<u>75</u>
Total expenditures	<u>48,100</u>	<u>48,125</u>	<u>(25)</u>
Net change in fund balance	(21,000)	(20,992)	8
FUND BALANCES, beginning of year	<u>196,550</u>	<u>196,550</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 175,550</u>	<u>\$ 175,558</u>	<u>\$ 8</u>

CITY OF PERRY, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Final Budgeted Amounts	Actual	Variance
REVENUES			
Taxes	\$ 895,600	\$ 895,601	\$ 1
Interest	100	103	3
Total revenues	<u>895,700</u>	<u>895,704</u>	<u>4</u>
EXPENDITURES			
Current:			
General government	454,200	455,466	(1,266)
Capital outlay	11,000	11,037	(37)
Total expenditures	<u>465,200</u>	<u>466,503</u>	<u>(1,303)</u>
Excess of revenues over expenditures	430,500	429,201	(1,299)
OTHER FINANCING SOURCES (USES)			
Transfers in	30,500	30,474	(26)
Transfers out	(433,200)	(433,199)	1
Total other financing uses, net	<u>(402,700)</u>	<u>(402,725)</u>	<u>(25)</u>
Net change in fund balance	27,800	26,476	(1,324)
FUND BALANCES, beginning of year	<u>52,329</u>	<u>52,329</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 80,129</u>	<u>\$ 78,805</u>	<u>\$ (1,324)</u>

CITY OF PERRY, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CHIP SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Final Budgeted Amounts	Actual	Variance
OTHER FINANCING SOURCES			
Transfers in	\$ -	\$ 40	\$ 40
Total other financing sources	<u>-</u>	<u>40</u>	<u>40</u>
Net change in fund balance	-	40	40
FUND DEFICIT, beginning of year	<u>(40)</u>	<u>(40)</u>	<u>-</u>
FUND DEFICIT, end of year	<u><u>\$ (40)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 40</u></u>

CITY OF PERRY, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CDBG SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Final Budgeted Amounts	Actual	Variance
REVENUES			
Grants	\$ 153,800	\$ 153,813	\$ 13
Total revenues	<u>153,800</u>	<u>153,813</u>	<u>13</u>
EXPENDITURES			
Current:			
General government	150,700	150,773	(73)
Capital outlay	3,100	3,040	60
Total expenditures	<u>153,800</u>	<u>153,813</u>	<u>(13)</u>
Excess of revenues over expenditures	-	-	-
OTHER FINANCING SOURCES			
Transfers in	-	100	(100)
Total other financing sources	<u>-</u>	<u>100</u>	<u>(100)</u>
Net change in fund balance	-	100	(100)
FUND BALANCES, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ (100)</u>

CITY OF PERRY, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CREEKWOOD 2019 CDBG SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Final Budgeted Amounts	Actual	Variance
REVENUES			
Grants	\$ 128,400	\$ 128,362	\$ (38)
Total revenues	<u>128,400</u>	<u>128,362</u>	<u>(38)</u>
 EXPENDITURES			
Current:			
General government	128,400	128,362	38
Total expenditures	<u>128,400</u>	<u>128,362</u>	<u>38</u>
 Net change in fund balance	-	-	-
 FUND BALANCES, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
 FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF PERRY, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
2019 CHIP SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Final Budgeted Amounts	Actual	Variance
REVENUES			
Grants	\$ 225,800	\$ 225,792	\$ (8)
Total revenues	<u>225,800</u>	<u>225,792</u>	<u>(8)</u>
EXPENDITURES			
Current:			
General government	216,800	216,787	13
Total expenditures	<u>216,800</u>	<u>216,787</u>	<u>13</u>
Excess of revenues over expenditures	9,000	9,005	5
OTHER FINANCING SOURCES			
Transfers in	100	120	20
Total other financing sources	<u>100</u>	<u>120</u>	<u>20</u>
Net change in fund balance	9,100	9,125	25
FUND BALANCES, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 9,100</u></u>	<u><u>\$ 9,125</u></u>	<u><u>\$ 25</u></u>

CITY OF PERRY, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT TECHNOLOGY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Final Budgeted Amounts	Actual	Variance
REVENUES			
Grants	\$ 104,600	\$ 104,572	\$ (28)
Total revenues	<u>104,600</u>	<u>104,572</u>	<u>(28)</u>
EXPENDITURES			
Current:			
General government	<u>96,000</u>	<u>96,032</u>	<u>(32)</u>
Total expenditures	<u>96,000</u>	<u>96,032</u>	<u>(32)</u>
Excess of revenues over expenditures	8,600	8,540	(60)
OTHER FINANCING SOURCES			
Transfers in	<u>75,700</u>	<u>75,719</u>	<u>19</u>
Total other financing sources	<u>75,700</u>	<u>75,719</u>	<u>19</u>
Net change in fund balance	84,300	84,259	(41)
FUND BALANCES, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 84,300</u></u>	<u><u>\$ 84,259</u></u>	<u><u>\$ (41)</u></u>

CITY OF PERRY, GEORGIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
POLICE PRE-CONFISCATION ASSETS FUND
AGENCY FUND
JUNE 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
ASSETS				
Cash	\$ 4	\$ 48,385	\$ 28	\$ 48,361
LIABILITIES				
Payable from assets				
Confiscated assets pending disposition	\$ 4	\$ 48,385	\$ 28	\$ 48,361

CITY OF PERRY, GEORGIA
BALANCE SHEET
COMPONENT UNIT
PERRY INDUSTRIAL BUILDING AUTHORITY
JUNE 30, 2020

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 244,607
Total assets	<u>\$ 244,607</u>
<u>FUND BALANCE</u>	
Fund balance:	
Unassigned	<u>\$ 244,607</u>
Total fund balance	<u>\$ 244,607</u>

CITY OF PERRY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT
PERRY INDUSTRIAL BUILDING AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>
<u>REVENUES</u>	
Interest earnings	\$ 1,947
Total revenues	<u>\$ 1,947</u>
Net change in fund balance	\$ 1,947
FUND BALANCE, beginning of year	<u>242,660</u>
FUND BALANCE, end of year	<u>\$ 244,607</u>

CITY OF PERRY, GEORGIA

**SCHEDULE OF EXPENDITURES OF
2012 SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Expenditures</u>		
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Road, Street and Bridge and Sidewalk Projects	\$ 3,000,000	\$ 3,000,000	\$ 3,044,928	\$ -	\$ 3,044,928
Public Safety Facilities and Equipment					
Facilities	1,800,000	1,800,000	1,512,187	-	1,512,187
Water and Sewer System Improvements and Debt Retirement	4,100,000	4,100,000	3,317,581	-	3,317,581
Recreation Facilities and Equipment	900,000	900,000	576,165	-	576,165
	<u>\$ 9,800,000</u>	<u>\$ 9,800,000</u>	<u>\$ 8,450,861</u>	<u>\$ -</u>	<u>\$ 8,450,861</u>

CITY OF PERRY, GEORGIA

**SCHEDULE OF EXPENDITURES OF
2018 SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Expenditures</u>		<u>Total</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Road, Street and Bridge and Sidewalk Projects	\$ 3,500,000	\$ 3,500,000	\$ 79,805	\$ 328,179	\$ 407,984
Public Safety Facilities and Equipment	621,653	694,191	694,191	215,139	909,330
Water and Sewer System Improvements	2,500,000	2,500,000	5,341	30	5,371
Recreation Facilities and Equipment	1,200,000	1,200,000	73,271	256,537	329,808
	<u>\$ 7,821,653</u>	<u>\$ 7,894,191</u>	<u>\$ 852,608</u>	<u>\$ 799,885</u>	<u>\$ 1,652,493</u>

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STATISTICAL SECTION

CITY OF PERRY, GEORGIA

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	79 – 86
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	87 – 93
<i>These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales tax.</i>	
Debt Capacity	94 – 97
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	98 – 101
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.</i>	
Operating Information	102 and 103
<i>These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

CITY OF PERRY, GEORGIA

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Invested in capital assets, net of related debt	\$ 41,158,197	\$ 43,486,281	\$ 46,096,524	\$ 45,321,336	\$ 46,900,636	\$ 47,484,247	\$ 48,383,084	\$ 48,360,389	\$ 47,501,166	\$ 46,690,172
Restricted	1,782,171	2,018,810	902,235	432,514	888,137	1,013,179	2,599,658	733,063	566,317	1,820,851
Unrestricted	1,382,365	2,202,263	2,517,519	3,702,452	3,673,551	4,240,487	2,502,945	3,995,348	5,003,684	4,605,845
Total governmental activities net position	<u>\$ 44,322,733</u>	<u>\$ 47,707,354</u>	<u>\$ 49,516,278</u>	<u>\$ 49,456,302</u>	<u>\$ 51,462,324</u>	<u>\$ 52,737,913</u>	<u>\$ 53,485,687</u>	<u>\$ 53,088,800</u>	<u>\$ 53,071,167</u>	<u>\$ 53,116,868</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 26,112,142	\$ 27,206,012	\$ 22,842,720	\$ 25,323,141	\$ 28,678,359	\$ 30,013,524	\$ 31,154,747	\$ 31,825,781	\$ 33,155,834	\$ 34,084,726
Restricted	1,572,771	1,705,382	5,881,479	5,136,797	2,641,309	2,380,463	2,119,367	1,749,165	1,762,296	1,788,038
Unrestricted	2,497,698	2,750,048	3,704,445	3,684,043	4,201,969	4,979,274	5,912,564	7,348,573	6,699,211	6,542,636
Total business-type activities net position	<u>\$ 30,182,611</u>	<u>\$ 31,661,442</u>	<u>\$ 32,428,644</u>	<u>\$ 34,143,981</u>	<u>\$ 35,521,637</u>	<u>\$ 37,373,261</u>	<u>\$ 39,186,678</u>	<u>\$ 40,923,519</u>	<u>\$ 41,617,341</u>	<u>\$ 42,415,400</u>
Primary government										
Net investment in capital assets	\$ 67,270,339	\$ 70,692,293	\$ 68,939,244	\$ 70,644,477	\$ 75,578,995	\$ 77,497,771	\$ 79,537,831	\$ 80,186,170	\$ 80,657,000	\$ 80,774,898
Restricted	3,354,942	3,724,192	6,783,714	5,569,311	3,529,446	3,393,642	4,719,025	2,482,228	2,328,613	3,608,889
Unrestricted	3,880,063	4,952,311	6,221,964	7,386,495	7,875,520	9,219,761	8,415,509	11,343,921	11,702,895	11,148,481
Total primary government net position	<u>\$ 74,505,344</u>	<u>\$ 79,368,796</u>	<u>\$ 81,944,922</u>	<u>\$ 83,600,283</u>	<u>\$ 86,983,961</u>	<u>\$ 90,111,174</u>	<u>\$ 92,672,365</u>	<u>\$ 94,012,319</u>	<u>\$ 94,688,508</u>	<u>\$ 95,532,268</u>

CITY OF PERRY, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
General government	\$ 5,400,595	\$ 5,727,426	\$ 5,268,547	\$ 5,361,965	\$ 4,454,832	\$ 5,710,470	\$ 4,390,500	\$ 6,066,508	\$ 7,681,726	\$ 8,706,439
Public safety	4,822,567	4,664,379	5,117,980	5,344,131	6,401,412	6,860,961	7,993,308	8,623,099	8,993,169	10,181,579
Public works	2,938,046	3,696,463	4,059,039	3,420,399	3,219,647	2,662,221	3,618,169	3,903,278	2,969,069	2,746,054
Recreation	754,375	628,819	591,901	673,069	757,513	671,304	558,570	845,498	1,053,370	816,582
Health and welfare	-	-	-	-	-	-	-	-	-	4,167
Housing and development	-	98,417	92,998	164,912	133,169	409,351	521,248	565,247	861,386	923,673
Issuance cost	-	-	-	-	-	-	109,741	-	183,376	-
Interest on long-term debt	26,979	24,824	18,431	25,337	43,804	43,227	55,486	117,339	234,782	439,063
Total governmental activities expenses	<u>13,942,562</u>	<u>14,840,328</u>	<u>15,148,896</u>	<u>14,989,813</u>	<u>15,010,377</u>	<u>16,357,534</u>	<u>17,247,022</u>	<u>20,120,969</u>	<u>21,976,878</u>	<u>23,817,557</u>
Business-type activities										
Water and sewerage system	4,726,726	5,318,365	5,776,214	5,185,739	5,641,228	5,936,054	6,606,650	6,902,802	7,221,673	7,814,046
Stormwater utility	-	-	29,818	110,590	177,743	216,692	449,532	565,824	724,686	687,625
Gas system	3,018,220	2,553,870	2,993,365	3,368,442	3,386,102	3,004,228	3,634,164	4,078,978	4,581,124	3,999,382
Solid waste	1,095,164	1,053,980	1,151,240	1,096,567	1,131,538	1,305,430	1,307,216	1,565,354	1,957,833	2,236,356
Revolving loan fund	1,505	764	2,631	3,117	676	3,177	1,354	1,227	1,127	1,166
Total business-type activities expense	<u>8,841,615</u>	<u>8,926,979</u>	<u>9,953,268</u>	<u>9,764,455</u>	<u>10,337,287</u>	<u>10,465,581</u>	<u>11,998,916</u>	<u>13,114,185</u>	<u>14,486,443</u>	<u>14,738,575</u>
Total primary government expenses	<u>\$ 22,784,177</u>	<u>\$ 23,767,307</u>	<u>\$ 25,102,164</u>	<u>\$ 24,754,268</u>	<u>\$ 25,347,664</u>	<u>\$ 26,823,115</u>	<u>\$ 29,245,938</u>	<u>\$ 33,235,154</u>	<u>\$ 36,463,321</u>	<u>\$ 38,556,132</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 2,977,195	\$ 3,341,070	\$ 3,413,900	\$ 2,622,425	\$ 2,792,988	\$ 2,835,501	\$ 3,320,331	\$ 4,010,959	\$ 4,258,665	\$ 4,647,467
Public safety	745,912	679,303	567,396	608,906	1,681,058	2,107,076	2,191,225	2,331,480	2,818,073	3,043,762
Public works	727,413	12,748	-	91,613	39,255	8,126	4,448	-	-	169,648
Recreation	84,496	79,323	80,223	274,263	287,624	153,418	145,881	118,344	134,896	69,333
Housing and development	-	-	-	212,096	258,377	314,989	389,411	413,186	408,043	637,044
Operating grants and contributions	353,326	511,899	250,710	27,094	21,917	67,861	265,745	599,635	800,597	694,194
Capital grants and contributions	1,874,479	4,330,530	3,587,628	1,475,645	1,937,557	2,000,176	1,645,981	1,912,159	1,844,344	2,204,085
Total governmental activities program revenues	<u>6,762,821</u>	<u>8,954,873</u>	<u>7,899,857</u>	<u>5,312,042</u>	<u>7,018,776</u>	<u>7,487,147</u>	<u>7,963,022</u>	<u>9,385,763</u>	<u>10,264,618</u>	<u>11,465,533</u>

CITY OF PERRY, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Revenues (continued)										
Business-type activities										
Charges for services:										
Water and sewerage	\$ 5,503,160	\$ 5,381,152	\$ 5,294,439	\$ 5,439,779	\$ 6,105,689	\$ 6,442,304	\$ 7,091,789	\$ 7,163,929	\$ 7,505,989	\$ 8,319,862
Stormwater utility	-	-	80,474	204,290	265,005	268,663	380,181	449,973	644,859	747,933
Gas	3,553,258	2,777,812	3,538,054	4,065,207	3,942,241	3,760,224	4,396,057	4,971,143	5,143,331	4,545,374
Solid waste	1,114,365	1,128,539	1,200,899	1,214,302	1,199,863	1,254,919	1,322,934	1,599,622	1,959,648	2,112,528
Operating grants and contributions	76,228	37,462	-	-	-	-	-	-	-	-
Capital grants and contributions	1,347,008	1,500,298	1,000,465	1,152,368	755,661	856,682	347,380	-	-	-
Total business-type activities program revenues	<u>11,594,019</u>	<u>10,825,263</u>	<u>11,114,331</u>	<u>12,075,946</u>	<u>12,268,459</u>	<u>12,582,792</u>	<u>13,538,341</u>	<u>14,184,667</u>	<u>15,253,827</u>	<u>15,725,697</u>
Total primary government program revenues	<u>\$ 18,356,840</u>	<u>\$ 19,780,136</u>	<u>\$ 19,014,188</u>	<u>\$ 17,387,988</u>	<u>\$ 19,287,235</u>	<u>\$ 20,069,939</u>	<u>\$ 21,501,363</u>	<u>\$ 23,570,430</u>	<u>\$ 25,518,445</u>	<u>\$ 27,191,230</u>
Net (Expenses)/Revenue										
Governmental activities	\$ (7,179,741)	\$ (5,885,455)	\$ (7,249,039)	\$ (9,677,771)	\$ (7,991,601)	\$ (8,870,387)	\$ (9,284,000)	\$ (10,735,206)	\$ (11,712,260)	\$ (12,352,024)
Business-type activities	<u>2,752,404</u>	<u>1,898,284</u>	<u>1,161,063</u>	<u>2,311,491</u>	<u>1,931,172</u>	<u>2,117,211</u>	<u>1,539,425</u>	<u>1,070,482</u>	<u>767,384</u>	<u>987,122</u>
Total primary government net (expenses)/revenue	<u>\$ (4,427,337)</u>	<u>\$ (3,987,171)</u>	<u>\$ (6,087,976)</u>	<u>\$ (7,366,280)</u>	<u>\$ (6,060,429)</u>	<u>\$ (6,753,176)</u>	<u>\$ (7,744,575)</u>	<u>\$ (9,664,724)</u>	<u>\$ (10,944,876)</u>	<u>\$ (11,364,902)</u>
General Revenue and Other Changes in Net Assets										
Governmental activities										
Taxes:										
Property taxes	\$ 5,858,558	\$ 6,003,452	\$ 6,022,167	\$ 6,261,530	\$ 6,354,007	\$ 6,616,806	\$ 6,767,309	\$ 7,198,490	\$ 7,601,113	\$ 8,204,588
Occupational taxes	159,777	172,437	186,884	179,117	190,072	183,722	188,133	197,256	201,852	215,472
Franchise taxes	963,109	1,016,175	974,874	1,035,669	1,141,340	1,130,978	1,181,007	1,334,400	1,441,279	1,449,821
Insurance premium taxes	516,893	649,107	689,460	713,871	745,918	796,833	860,753	916,829	988,756	1,050,279
Hotel/motel taxes	720,652	711,283	723,017	777,462	943,752	831,837	879,193	929,288	966,801	895,601
Alcoholic beverage taxes	245,627	257,945	261,496	259,529	262,646	270,422	275,936	285,484	297,110	315,778
Interest revenue	6,269	6,067	5,148	5,881	6,840	11,445	23,159	55,376	86,888	58,865
Miscellaneous	-	-	-	-	-	-	75,408	15,592	-	-
Transfers	301,900	453,611	194,917	258,501	609,607	303,933	(219,124)	(594,396)	110,861	207,321
Total governmental activities	<u>8,772,785</u>	<u>9,270,077</u>	<u>9,057,963</u>	<u>9,491,560</u>	<u>10,254,182</u>	<u>10,145,976</u>	<u>10,031,774</u>	<u>10,338,319</u>	<u>11,694,660</u>	<u>12,397,725</u>

CITY OF PERRY, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenue and Other Changes in Net Assets										
Business-type activities										
Interest revenue	\$ 39,096	\$ 34,158	\$ 16,213	\$ 30,297	\$ 38,901	\$ 38,346	\$ 54,868	\$ 71,963	\$ 72,949	\$ 18,258
Transfers	(301,900)	(453,611)	(194,917)	(258,501)	(609,607)	(303,933)	219,124	594,396	(110,861)	(207,321)
Total business-type activities	<u>(262,804)</u>	<u>(419,453)</u>	<u>(178,704)</u>	<u>(228,204)</u>	<u>(570,706)</u>	<u>(265,587)</u>	<u>273,992</u>	<u>666,359</u>	<u>(37,912)</u>	<u>(189,063)</u>
Total primary government	<u>\$ 8,509,981</u>	<u>\$ 8,850,624</u>	<u>\$ 8,879,259</u>	<u>\$ 9,263,356</u>	<u>\$ 9,683,476</u>	<u>\$ 9,880,389</u>	<u>\$ 10,305,766</u>	<u>\$ 11,004,678</u>	<u>\$ 11,656,748</u>	<u>\$ 12,208,662</u>
Change in Net Assets										
Governmental activities	\$ 1,593,044	\$ 3,384,622	\$ 1,808,924	\$ (186,211)	\$ 2,262,581	\$ 1,275,589	\$ 747,774	\$ (396,887)	\$ (17,633)	\$ 45,701
Business-type activities	2,489,600	1,478,831	982,359	2,083,287	1,360,466	1,851,624	1,813,417	1,736,841	734,472	798,059
Total primary government	<u>\$ 4,082,644</u>	<u>\$ 4,863,453</u>	<u>\$ 2,791,283</u>	<u>\$ 1,897,076</u>	<u>\$ 3,623,047</u>	<u>\$ 3,127,213</u>	<u>\$ 2,561,191</u>	<u>\$ 1,339,954</u>	<u>\$ 716,839</u>	<u>\$ 843,760</u>

CITY OF PERRY, GEORGIA

PROGRAM REVENUES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

(accrual basis of accounting)

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
General government	\$ 3,330,499	\$ 4,009,325	\$ 4,066,703	\$ 4,098,070	\$ 4,184,892	\$ 4,247,632	\$ 4,716,169	\$ 5,584,433	\$ 6,229,659	\$ 6,114,087
Public safety	1,018,400	901,757	1,287,121	617,770	1,688,257	2,112,830	2,203,030	2,498,116	2,979,402	3,324,944
Public works	2,212,991	3,822,039	2,403,338	91,613	582,812	609,545	245,697	236,280	226,103	730,503
Recreation	200,931	221,752	142,695	292,493	304,438	202,151	204,383	222,308	252,082	150,988
Housing and Development	-	-	-	212,096	258,377	314,989	593,743	844,626	577,339	1,145,011
Subtotal governmental activities	<u>6,762,821</u>	<u>8,954,873</u>	<u>7,899,857</u>	<u>5,312,042</u>	<u>7,018,776</u>	<u>7,487,147</u>	<u>7,963,022</u>	<u>9,385,763</u>	<u>10,264,585</u>	<u>11,465,533</u>
Business-type activities										
Water and sewerage system	6,850,168	6,881,450	6,256,924	6,534,147	6,859,120	7,264,878	7,439,169	7,163,929	7,505,989	8,319,862
Stormwater utility	-	-	117,974	204,290	265,005	302,771	380,181	449,973	644,859	747,933
Gas system	3,565,558	2,780,202	3,538,534	4,123,207	3,944,471	3,760,224	4,396,057	4,971,143	5,148,331	4,545,374
Solid waste	1,114,365	1,128,539	1,200,899	1,214,302	1,199,863	1,254,919	1,322,934	1,599,622	1,959,648	2,112,528
Revolving loan fund	63,928	35,072	-	-	-	-	-	-	-	-
Subtotal business-type activities	<u>11,594,019</u>	<u>10,825,263</u>	<u>11,114,331</u>	<u>12,075,946</u>	<u>12,268,459</u>	<u>12,582,792</u>	<u>13,538,341</u>	<u>14,184,667</u>	<u>15,258,827</u>	<u>15,725,697</u>
Total primary government	<u>\$ 18,356,840</u>	<u>\$ 19,780,136</u>	<u>\$ 19,014,188</u>	<u>\$ 17,387,988</u>	<u>\$ 19,287,235</u>	<u>\$ 20,069,939</u>	<u>\$ 21,501,363</u>	<u>\$ 23,570,430</u>	<u>\$ 25,523,412</u>	<u>\$ 27,191,230</u>

Notes: In fiscal year 2011, the City received a grant from GEFA for a revolving loan fund.
 In fiscal year 2012, the City created a housing and development department for economic development.
 In fiscal year 2013, the City created a Stormwater Utility Fund.
 In fiscal year 2015, the City created the Fire Protection Fund.

CITY OF PERRY, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	27,462	22,224	22,324	5,626	5,134	4,642	4,150	3,659	533	-
Restricted	49,986	135,262	127,082	-	-	-	-	-	-	-
Assigned	367,338	429,994	1,013,702	1,559,087	938,672	798,477	496,335	422,170	292,807	52,266
Unassigned	1,788,898	2,330,679	2,005,129	2,499,916	2,954,387	3,561,400	4,120,667	3,333,468	4,444,325	4,166,314
Total General Fund	\$ 2,233,684	\$ 2,918,159	\$ 3,168,237	\$ 4,064,629	\$ 3,898,193	\$ 4,364,519	\$ 4,621,152	\$ 3,759,297	\$ 4,737,665	\$ 4,218,580
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	21,317	22,674	18,336	17,597	20,364
Restricted	1,732,185	1,883,548	775,153	433,789	888,137	1,013,179	2,599,658	2,183,826	7,666,306	6,132,068
Assigned	40,703	93,633	122,867	203,309	150,703	171,026	28,389	-	-	-
Unassigned	-	-	-	-	(43,480)	(1,514)	254,199	(6,215)	(2,834)	(96,550)
Total All Other Governmental Funds	\$ 1,772,888	\$ 1,977,181	\$ 898,020	\$ 637,098	\$ 995,360	\$ 1,204,008	\$ 2,904,920	\$ 2,195,947	\$ 7,681,069	\$ 6,055,882

CITY OF PERRY, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property taxes	\$ 5,941,516	\$ 5,958,216	\$ 6,059,085	\$ 6,246,778	\$ 6,387,352	\$ 6,614,288	\$ 6,763,330	\$ 7,213,971	\$ 7,594,163	\$ 8,196,636
Sales taxes	-	-	-	-	-	-	-	-	-	-
Other taxes	2,606,058	2,806,947	2,835,731	2,965,648	3,283,728	3,213,792	3,385,022	3,663,257	3,895,798	3,926,951
Licenses and permits	182,226	248,058	246,401	256,696	333,856	384,886	436,719	505,904	617,810	753,364
Impact fees	46,200	64,273	34,348	-	-	-	-	-	-	-
Charges for services	1,588,335	1,497,634	1,980,238	1,876,053	1,900,896	1,803,274	1,792,411	2,295,618	2,357,805	2,747,927
Administrative	476,623	493,474	531,459	722,681	804,700	877,878	956,976	922,600	1,089,519	1,264,479
Intergovernmental Contributions from private sources	2,072,920	2,262,764	3,293,411	1,484,509	1,942,175	2,001,930	1,651,939	1,918,171	1,747,881	2,228,814
Fines and forfeitures	49,757	33,321	23,755	18,230	16,914	65,809	55,307	105,964	119,186	80,654
Fire protection fees	582,025	486,462	399,543	546,846	684,626	575,291	450,666	514,540	703,445	760,892
Investment earnings	-	-	-	-	923,271	1,521,243	1,723,349	1,798,761	2,095,664	2,246,595
Other revenues	7,127	7,888	6,583	5,881	7,225	11,743	23,307	55,525	87,031	58,865
Total revenues	14,499,022	15,174,791	16,280,084	14,530,349	16,696,696	17,326,672	18,134,533	20,333,959	21,745,147	23,672,714
Expenditures										
General government	4,113,182	4,703,862	5,325,293	4,789,974	5,036,319	4,340,561	5,407,291	6,927,031	8,115,770	8,381,515
Public safety	4,758,653	4,598,028	4,842,018	5,271,581	7,394,161	6,850,865	7,335,149	9,294,930	8,267,288	9,179,374
Public works	2,567,801	3,042,621	2,750,883	2,210,614	2,091,860	2,626,590	2,328,139	1,974,674	2,314,263	2,666,196
Recreation	672,863	626,369	457,770	556,432	628,057	789,014	883,515	781,032	823,703	713,066
Housing & development	-	-	-	126,356	92,401	372,986	484,316	541,671	763,123	704,658
Health and welfare	-	-	-	-	-	-	-	-	-	4,167
Debt service:										
Principal	379,709	326,848	436,281	535,743	528,189	455,333	706,123	833,221	852,337	1,055,792
Interest	20,357	25,678	25,461	22,923	43,675	41,616	42,064	117,654	169,452	443,996
Capital outlay	1,710,093	1,871,249	4,123,862	1,960,218	1,765,356	2,045,997	2,380,051	3,494,122	3,419,698	4,202,303
Miscellaneous	-	-	-	-	-	-	109,741	-	183,376	-
Total expenditures	14,222,658	15,194,655	17,961,568	15,473,841	17,580,018	17,522,962	19,676,389	23,964,335	24,909,010	27,351,067

CITY OF PERRY, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Excess (deficiency) of revenues over expenditures	\$ 276,364	\$ (19,864)	\$ (1,681,484)	\$ (943,492)	\$ (883,322)	\$ (196,290)	\$ (1,541,856)	\$ (3,630,376)	\$ (3,163,863)	\$ (3,678,353)
Other Financing Sources (Uses)										
Transfers from other funds	317,264	501,294	325,380	290,901	1,362,669	401,991	1,014,934	2,588,982	4,808,116	4,461,194
Transfers to other funds	(15,364)	(47,683)	(130,463)	(32,400)	(753,062)	(98,058)	(674,525)	(2,149,437)	(4,039,282)	(3,449,818)
Sale of capital assets	15,168	26,390	26,823	11,444	17,464	16,762	14,052	74,919	13,345	35,117
Capital leases	389,275	428,631	630,661	1,182,782	448,077	550,569	751,058	1,545,084	918,386	407,028
Bonds proceeds	-	-	-	-	-	-	-	-	8,007,348	-
Issuance of debt	-	-	-	-	-	-	2,318,472	-	-	-
Miscellaneous	-	-	-	-	-	-	75,408	-	-	-
Total other financing sources (uses)	706,343	908,632	852,401	1,452,727	1,075,148	871,264	3,499,399	2,059,548	9,707,913	1,453,521
Net change in fund balances	<u>\$ 982,707</u>	<u>\$ 888,768</u>	<u>\$ (829,083)</u>	<u>\$ 509,235</u>	<u>\$ 191,826</u>	<u>\$ 674,974</u>	<u>\$ 1,957,543</u>	<u>\$ (1,570,828)</u>	<u>\$ 6,544,050</u>	<u>\$ (2,224,832)</u>
Debt service as a percentage of noncapital expenditures	3.20%	2.65%	3.34%	4.13%	3.62%	3.21%	4.33%	5.03%	4.75%	7.10%

CITY OF PERRY, GEORGIA

TAX REVENUES BY SOURCE GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

Fiscal Year	Tax Revenues							Total
	General Property	Franchise	Insurance Premium	Occupational	Alcoholic Beverage	Hotel/ Motel		
2011	\$ 5,941,516	\$ 963,109	\$ 516,863	\$ 159,777	\$ 245,627	\$ 720,652	\$ 8,547,544	
2012	5,958,216	1,016,175	649,107	172,437	257,945	711,283	8,765,163	
2013	6,059,085	974,874	689,460	186,884	261,496	723,017	8,894,816	
2014	6,246,778	1,035,669	713,871	179,117	259,529	777,462	9,212,426	
2015	6,387,352	1,141,340	745,918	190,072	262,646	943,752	9,671,080	
2016	6,614,288	1,130,978	796,833	183,722	270,422	831,837	9,828,080	
2017	6,763,330	1,181,007	860,753	188,133	275,936	879,193	10,148,352	
2018	7,213,971	1,334,400	916,829	197,256	285,484	929,288	10,877,228	
2019	7,594,163	1,441,279	988,756	201,852	297,110	966,801	11,489,961	
2020	8,196,636	1,449,821	1,050,279	215,472	315,778	895,601	12,123,587	
Change 2011–2020	38.0%	50.5%	103.2%	34.9%	28.6%	24.3%	41.8%	

Notes:

Property tax increase due to reassessments.

CITY OF PERRY, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2011	\$ 350,456,427	\$ 76,679,917	\$ 18,216,629	\$ 408,919,715	13.81	\$ 1,067,840,860	38.294%
2012	345,088,679	87,961,380	22,187,782	410,862,277	14.13	1,082,625,148	37.951%
2013	349,547,799	87,818,594	20,882,818	416,483,574	14.13	1,093,415,981	38.090%
2014	339,209,653	87,493,518	18,134,196	408,568,975	14.08	1,066,757,927	38.300%
2015	346,001,684	99,448,161	20,636,156	424,813,689	14.05	1,113,624,613	38.147%
2016	369,841,695	110,332,474	23,898,087	456,276,082	14.05	1,200,435,423	38.009%
2017	383,463,988	89,831,969	24,237,050	449,058,907	14.05	1,183,239,893	37.952%
2018	395,261,996	57,878,998	27,016,313	426,124,681	14.05	1,132,852,485	37.615%
2019	426,737,358	77,881,440	27,307,011	477,311,787	14.05	1,261,546,995	37.835%
2020	468,828,551	84,035,677	34,312,608	518,551,620	14.05	1,382,160,570	37.517%

Source:

Based on information obtained from Houston County Tax Assessor's Office.

Notes:

Property in the City is reassessed once every five years on average. The City assesses property at 40% of actual value for commercial, industrial and residential property.

CITY OF PERRY, GEORGIA

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rates				Overlapping Rates				
	Houston Basic Rate	Peach Basic Rate	General Obligation Debt Service	Total Direct Rate	State of Georgia	Houston County	Peach County	School System	Total
2011	13.81	13.81	0.00	27.62	0.25	9.95	13.55	13.34	37.09
2012	14.13	14.13	0.00	28.26	0.25	9.95	13.56	13.34	37.10
2013	14.13	14.13	0.00	28.26	0.20	9.95	13.56	13.34	37.05
2014	14.08	14.08	0.00	28.16	0.15	9.95	13.56	13.34	37.00
2015	14.05	14.05	0.00	28.10	0.10	11.13	14.56	13.34	39.13
2016	14.05	14.05	0.00	28.10	0.05	11.13	14.56	13.34	39.08
2017	14.05	11.97	0.00	26.02	0.00	11.13	14.56	13.34	39.03
2018	14.05	12.86	0.00	26.91	0.00	11.11	14.62	13.32	39.05
2019	14.05	12.84	0.00	26.89	0.00	11.11	14.55	13.30	38.96
2020	14.05	12.55	0.00	26.60	0.00	11.11	14.47	13.30	38.88

Source:
Houston County Tax Commissioner's Office

Notes:

The City's basic property tax rate is established by the City Council each year in July. The overlapping rates are those of State and County governments that apply to property owners within the City.

CITY OF PERRY, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2011			2020		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
Graphic Packaging, Inc	\$ 13,891,605	1	3.40%	\$ 31,476,483	1	6.595%
Houston Lake Apartments, LLC	7,864,560	2	1.92%	-		
American Real Estate Investments	7,157,992	3	1.75%	-		
HT Perry WM. LLC	4,898,247	4	1.29%	-		
Mulberry-Hampton/Winslow Place	4,273,320	5	1.05%	-		
Advanced Drainage Systems Inc	3,593,406	6	0.88%	3,817,696	8	0.800%
Tolleson Lumber Co.	3,559,450	7	0.87%	-		
Woodland Property Partners Inc.	3,488,680	8	0.85%	-		
Georgia Power Company	3,220,811	9	0.79%	6,180,546	5	1.295%
Galileo Appolo IV Sub LLC	3,014,490	10	0.74%	-		
Guardian Centers of Georgia	-			12,481,862	2	2.615%
MFG Houston Lake Owner LLC	-			10,620,000	3	2.225%
Interfor	-			7,364,185	4	1.543%
Edgar Hughston Builder Inc	-			5,442,754	6	1.140%
Development Authority of Houston County	-			5,123,880	7	1.073%
Valley Drive Development LLC	-			3,547,160	9	0.743%
SPMK XVI Hampton LLC	-			3,160,000	10	0.662%
Total	\$ 54,962,561		13.54%	\$ 89,214,566		18.69%

Source: Based on information obtained from the Houston County Tax Assessor's Office.

CITY OF PERRY, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 5,673,974	\$ 5,645,733	99.50%	\$ 28,241	\$ 5,673,974	100.00%
2012	5,886,680	5,736,280	97.45%	11,427	5,747,707	97.64%
2013	5,965,028	5,814,628	97.48%	114,053	5,928,681	99.39%
2014	5,853,182	5,779,232	98.74%	65,216	5,844,448	99.85%
2015	6,193,700	6,110,863	98.66%	77,951	6,188,814	99.92%
2016	6,410,681	6,276,920	97.91%	101,595	6,378,515	99.50%
2017	6,510,552	6,267,662	96.27%	66,692	6,334,354	97.29%
2018	6,366,998	6,271,905	98.51%	50,628	6,322,533	99.30%
2019	7,220,244	7,137,432	98.85%	66,864	7,204,296	99.78%
2020	7,401,534	7,394,091	99.90%	3,466	7,397,557	99.95%

Source:

Based on information obtained from the Houston County Tax Assessors' Office.

CITY OF PERRY, GEORGIA

TAXABLE SALES BY CATEGORY LAST TEN FISCAL YEARS

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Food/Bar	\$ 3,683,588	\$ 3,845,547	\$ 4,001,399	\$ 4,177,376	\$ 4,637,901	\$ 4,941,841	\$ 5,062,192	\$ 5,001,529	\$ 4,259,823	\$ 5,347,526
Apparel	-	-	-	-	-	-	-	-	-	-
General merchandise	3,682,705	3,672,160	3,674,175	3,659,551	3,749,988	3,814,977	3,767,279	3,898,148	3,479,756	4,641,157
Accommodations	268,864	282,642	262,637	238,501	279,316	297,867	313,962	340,868	328,563	339,490
Automotive	2,640,637	2,839,526	2,385,052	500,137	501,373	529,188	531,451	618,493	591,329	725,649
Home	-	-	-	-	-	-	-	-	-	-
Home furnishings	1,734,592	1,641,700	1,556,730	1,711,997	1,708,876	1,798,748	1,922,418	2,078,173	1,864,698	2,448,606
Lumber	-	-	-	-	-	-	-	-	-	-
Construction	92,418	47,097	97,736	108,684	148,069	129,106	128,686	121,998	98,125	185,159
Miscellaneous service	1,320,676	1,327,266	1,367,688	1,453,489	1,505,708	1,501,110	1,524,966	1,539,413	1,428,816	1,754,942
Manufacturers	1,098,305	1,220,506	968,689	969,150	1,170,967	1,125,410	1,098,741	1,108,738	1,053,414	1,526,396
Utilities	1,945,292	1,867,826	1,848,610	1,894,010	2,079,355	1,885,208	1,832,618	2,199,104	1,752,819	1,995,416
Wholesale	1,618,654	1,967,526	2,083,892	2,188,118	2,316,101	2,228,598	2,014,592	2,298,952	2,665,499	3,110,093
Miscellaneous										
Other-Retail	3,337,212	3,603,710	3,900,181	3,942,872	3,825,100	4,034,164	4,056,649	4,752,635	4,147,579	5,639,745
Total	\$ 21,422,943	\$ 22,315,505	\$ 22,146,787	\$ 20,843,885	\$ 21,922,754	\$ 22,286,217	\$ 22,253,554	\$ 23,958,051	\$ 21,670,421	\$ 27,714,179

Source:

Georgia Dept of Revenue, Local Government Services Division

Notes:

Since the City of Perry does not have sales tax, all sales tax reported to the Georgia Department of Revenue is accumulated by commodity as Houston County. The above numbers are taken from commodity reports issued by the Georgia Department of Revenue for Houston County and represents the county as a whole.

CITY OF PERRY, GEORGIA

DIRECT AND OVERLAPPING SALES TAX RATES LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Houston County</u>
2011	0.00%	7.00%
2012	0.00%	7.00%
2013	0.00%	7.00%
2014	0.00%	7.00%
2015	0.00%	7.00%
2016	0.00%	7.00%
2017	0.00%	7.00%
2018	0.00%	7.00%
2019	0.00%	7.00%
2020	0.00%	7.00%

Source:

Local sales tax is imposed countywide (Houston County).

Notes:

In 2001, the citizens voted to impose a 1% SPLOST. A portion of this 1% is shared by all the cities in Houston County.

CITY OF PERRY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Revenue Bonds	Certificates of Participation	Capital Leases	Note Payable	Water/Sewer Revenue Bonds	Water/Sewer Georgia Revolving Loan	Capital Leases			
2011	\$ -	\$ -	\$ 559,562	\$ 400,000	\$ 15,570,000	\$ 599,786	\$ 2,558,923	\$ 19,688,271	2.13%	705
2012	-	-	761,345	300,000	15,160,000	515,529	2,232,374	18,969,248	2.24%	749
2013	-	-	1,055,725	200,000	15,124,000	427,951	2,172,918	18,980,594	2.49%	862
2014	-	-	1,802,764	100,000	14,754,000	336,921	1,904,683	18,898,368	2.50%	925
2015	-	-	1,822,652	-	14,215,000	242,300	1,452,898	17,732,850	2.88%	615
2016	-	-	1,917,888	-	13,660,000	184,219	1,266,636	17,028,743	3.20%	902
2017	-	-	1,962,823	-	12,579,000	-	585,458	15,127,281	3.67%	1,050
2018	2,229,505	-	2,759,686	-	13,090,363	549,636	493,390	19,122,580	2.91%	831
2019	10,147,027	-	2,910,735	-	12,400,130	2,812,362	510,993	28,781,247	2.14%	636
2020	9,952,201	-	2,451,971	-	11,674,544	9,508,118	555,508	34,142,342	1.80%	565

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

¹See the Schedule of Demographic and Economic Statistics on page 98 for personal income and population data.

CITY OF PERRY, GEORGIA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020**

<u>Category of Debt</u>	<u>Amount of Outstanding Debt</u>	<u>Percentage Applicable to Government</u>
Direct		
Revenue Bonds	\$ 9,952,201	
Capital Leases	2,451,971	
Total Direct Debt	12,404,172	
Overlapping ¹		
Capital Leases	123,808	100%
General Obligation Debt	37,130,000	100%
Total Overlapping Debt	37,253,808	100%
Total Direct and Overlapping Debt	\$ 49,657,980	

¹ Houston County Board of Education

The percentage of overlapping debt applicable is calculated by taking the share of each individual project that the City participates in and multiplying that share percentage by the total principal outstanding in each project.

CITY OF PERRY, GEORGIA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Assessed Value	\$ 410,842,338	\$ 416,633,952	\$ 422,152,830	\$ 415,489,773	\$ 440,832,739	\$ 456,276,082	\$ 463,384,449	\$ 453,090,995	\$ 477,311,788	\$ 527,099,393
Debt Limit-10% of Assessed Value	41,084,234	41,663,395	42,215,283	41,548,977	44,083,274	45,627,608	46,338,445	45,309,100	47,731,179	52,709,939
Debt Applicable to Debt Limit: General obligation bonds	-	-	-	-	-	-	-	-	-	-
Net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 41,084,234</u>	<u>\$ 41,663,395</u>	<u>\$ 42,215,283</u>	<u>\$ 41,548,977</u>	<u>\$ 44,083,274</u>	<u>\$ 45,627,608</u>	<u>\$ 46,338,445</u>	<u>\$ 45,309,100</u>	<u>\$ 47,731,179</u>	<u>\$ 52,709,939</u>
Legal debt margin as a percentage of the debt limit	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

CITY OF PERRY, GEORGIA

PLEDGED-REVENUE COVERAGE LAST TEN FISCAL YEARS

Water and Sewerage System Revenue Bonds

Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2011	\$ 5,503,160	\$ 3,268,544	\$ 2,234,616	\$ 390,000	\$ 671,780	\$ 1,061,780	2.10
2012	5,381,152	3,383,602	1,997,550	410,000	655,250	1,065,250	1.88
2013	5,294,439	3,674,954	1,619,485	425,000	637,737	1,062,737	1.52
2014	5,439,779	3,562,569	1,877,210	370,000	487,207	857,207	2.19
2015	6,105,689	3,985,770	2,119,919	539,000	489,210	1,028,210	2.06
2016	6,442,304	4,338,065	2,104,239	555,000	538,638	1,093,638	1.92
2017	7,078,789	4,769,060	2,309,729	521,000	365,403	886,403	2.61
2018	7,193,325	4,947,635	2,245,690	575,000	393,994	968,994	2.32
2019	7,556,208	5,263,404	2,292,804	615,000	386,528	1,001,528	2.29
2020	8,355,308	5,809,143	2,546,165	627,000	384,191	1,011,191	2.52

Notes:
Gross revenue equals operating and non-operating revenues of the Water and Sewerage System. Operating expenses do not include bond interest, depreciation or amortization expenses.

CITY OF PERRY, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population¹	Personal Income (amounts expressed in thousands)	Per Capita Personal Income^{2, 3, 7, 8}	Median Age^{3, 6}	School Enrollment⁶	Unemployment Rate^{3, 4}
2011	13,839	\$ 418,877	\$ 33,114	34.6	27,014	8.0%
2012	14,516	424,202	33,505	34.6	27,435	8.0%
2013	14,786	499,043	34,674	37.2	27,610	8.3%
2014	15,094	479,453	37,042	32.4	27,948	7.3%
2015	15,610	511,521	21,306	32.8	28,146	6.4%
2016	16,361	545,580	28,148	37.3	27,530	5.6%
2017	16,764	555,571	28,596	38.0	29,490	5.0%
2018	17,741	575,701	20,369	31.8	28,348	4.3%
2019	18,654	614,842	29,791	38.6	29,770	3.9%
2020	19,929	645,298	31,370	38.7	30,721	6.2%

¹ Per 2000 Census and the City's estimate

² Middle Georgia Regional Commission

³ Information available at the county level only (Houston County)

⁴ Data obtained from Georgia Department of Labor

⁵ Estimate per census taken every ten years

⁶ Houston County Board of Education

⁷ BEA Regional Economic Analysis

⁸ 2013 data provided for the City of Perry

Notes: Personal income information is a total for the year.

CITY OF PERRY, GEORGIA

PRINCIPAL EMPLOYERS CURRENT AND NINE YEARS AGO

2011 Employers ¹	2020 Employers ²
AFSVA Robins AFB Department of Defense - Robins AFB Frito Lay, Inc. Houston County Houston County School System Houston Hospitals, Inc. Perdue Farms Inc. The Kroger Company Wal-Mart Southeast Division City of Warner Robins	Graphic Packaging International Inc. Summerhill Elder Living Home Wal-Mart Stores East, LP Southern Home Care Sevices Inferfor US Inc. Publix Super Markets Inc #1233 Cracker Barrel Old Country Store Inc. Advanced Drainage Systems Inc. Mid State Automotive II Inc Gilmer Warehouse & Logistics

Source:

1Georgia Department of Revenue

2City of Perry - Tax & License

Notes:

Employers are listed in alphabetical order only, and are not ranked in any way.

Number of employees cannot be listed due to privacy issues.

Information available at county level only (Houston County).

CITY OF PERRY, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN YEARS

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
City Manager	2.5	3	3	3	3	3	3	3	4	4
Municipal Court	-	-	-	-	-	-	-	-	3	3
Administrative										
Finance	5	5	5	5	5	5	5	5	5	6
Human Resources	1	1	1	1	1	1	1	1	1	1
Information Technology	1	-	-	-	-	-	-	-	-	-
Purchasing/Bldg. Maintenance	4	4.5	3	4	4	4	4	4.5	5.5	3
Community Development	4	5	5	5	5	5	6	7	9	8
Economic Development	-	1	1.5	2	2	2	2.5	3.5	4	3
City Attorney	-	-	-	-	-	-	-	-	-	2
Public Safety										
Police:										
Officers	37	35	35	35	35.5	38	42	44	46	42.5
Civilians	5	6	6.5	6.5	6.5	6.5	7.5	8	8	10.5
Fire Department:										
Firefighters	21	20	20	24	45	45	45	45	45	48
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works Department	16	15	14	14	14	14	17	17	18	24
Recreation Department	7	7	7	7	7	7	8	8	8	8.5

CITY OF PERRY, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN YEARS

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Water Department:										
Water Treatment	-	-	-	-	-	-	-	-	-	-
Water Administrative	5	3.5	4	4	4	4	4	5	3	5
Line Maintenance	-	-	-	-	-	-	-	-	-	-
Sewer Department	-	-	-	-	-	-	-	-	-	-
Solid Waste	7	7	7	6	7	7	7	9	8	8
Gas	4	-	-	-	-	-	-	-	-	-
Total	<u>120.5</u>	<u>114</u>	<u>113</u>	<u>117.5</u>	<u>140</u>	<u>142.5</u>	<u>153</u>	<u>161</u>	<u>168.5</u>	<u>177.5</u>

Source:

Payroll records

Notes:

A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

November 2008 line maintenance contracted out to ESG.

November 2011 gas operations contracted out of ESG.

June 26, 2012 meter readers contracted out to ESG.

In 2012, the City created an economic development department.

Prior to 2019, the Municipal Court was previously included with public safety.

CITY OF PERRY, GEORGIA

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Building permits issued – commercial	40	29	36	20	31	26	38	33	16	9
Building permits issued – residential	133	147	155	195	237	240	280	371	366	447
Police:										
Physical arrests	1634	1249	1693	1484	1455	1205	834	692	1035	629
Parking violations	24	13	16	19	48	29	15	35	14	12
Traffic violations	3194	2035	3751	2868	3710	4462	3390	6795	7108	3971
Fire:										
Emergency responses	1430	1134	1778	1750	1890	2011	2025	1935	1854	1842
Fires extinguished	105	102	90	97	87	86	78	71	66	68
Public Works:										
Streets resurfaced (miles)	0.47	2.4	2.11	2.31	2.31	1.68	1.83	3.59	3.24	1.99
Water:										
Service connections	6408	6497	6883	7001	7571	7881	8329	9044	10320	10983
Water main breaks	23	16	9	9	10	5	5	2	11	14
Average daily consumption (million gallons)	2.134	2.02	1.8	1.71	1.77	1.92	2.04	2.13	1.84	1.99
Wastewater:										
Average daily sewage treatment (million gallons)	1.987	1.748	2.1	2.946	2.28	2.3	1.81	1.6	2.44	2.988
Service Connections	4848	4974	5147	5230	5430	5629	5888	6489	7883	7288
Gas System:										
Service Connections	3168	3203	2439	3209	2389	2380	2484	2398	2568	2464
Average daily consumption (MCF)	929	800	1531	1380	1271	2339	2509	3282	1783	1235

Source: Various City departments.

CITY OF PERRY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol cars	27	28	41	39	29	36	28	30	37	40
Fire:										
Stations	1	1	2	2	2	2	2	2	2	2
Trucks	4	4	4	4	4	4	4	6	6	6
Fire hydrants	923	923	923	950	950	964	978	989	998	1075
Recreation:										
Community Center	1	1	1	1	1	1	1	1	1	1
Parks	15	15	17	18	23	23	23	23	26	26
Park Acreage	97.14	97.14	99.81	100.4	124.53	124.53	124.53	124.53	188.76	188.22
Swimming Pools	1	1	1	1	1	1	1	1	1	-
Tennis Courts	8	8	8	4	4	2	2	2	4	4
Public Works:										
Streets (miles)	207.6	207.6	207.8	208.79	208.79	210.38	210.69	166.79	167.35	167.35
Sidewalks (miles)	34.55	34.55	34.55	34.55	34.55	37.73	37.73	38.06	40.47	40.468
Number of Streets	438	438	439	444	444	448	449	470	472	472
Number of Streets Lights	2277	2298	2301	2328	2344	2370	2374	2382	2393	2400
Water:										
Miles of Water Mains	150.59	151.22	151.22	151.22	152.43	161	163	164.1	164.61	165.13
Water tanks	5	5	5	5	5	5	5	5	5	5
Storage capacity (million gallons)	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.575
Wastewater:										
Miles of Sewers	104.38	106	106.5	106.5	107.72	123	125	126	126.55	126.55
Treatment plants	1	1	1	1	1	1	1	1	1	1
Treatment capacity (million gal)	3.0	3.8	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Gas System:										
Miles of Gas Lines	80.4	81.1	81.1	81.4	81.4	84.1	73.3	73.3	73.3	73.55

Source: Various City departments.

COMPLIANCE SECTION



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

Honorable Mayor and Members of City Council
The City of Perry, Georgia
Perry, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the aggregately discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Perry, Georgia (the "City") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 11, 2021. This report does not include the results of our testing of internal control over financial reporting or compliance and other matters that have been reported in the separately issued financial statements and reports of the discretely presented component units, the Perry Area Convention and Visitors Bureau (the "Visitors Bureau") and the Perry Downtown Development Authority (the "Development Authority").

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

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

City of Perry, Georgia's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements 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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macon, Georgia
February 11, 2021

Mauldin & Jenkins, LLC



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**Honorable Mayor and Members of City Council
The City of Perry, Georgia
Perry, Georgia**

Report on Compliance for Each Major Federal Program

We have audited the City of Perry, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2020. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the City's major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Perry, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
February 11, 2021

CITY OF PERRY, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Grant ID Number	Federal Expenditures
U.S. Department of Homeland Security			
Passed through State of Georgia Emergency Management Agency			
Assistance to Firefighters Grant	97.044	EMW-2018-FO-00738	\$ 180,000
Disaster Grants - Public Assistance	97.036	FEMA-4338-DR-GA	<u>30,090</u>
Total U.S. Department of Homeland Security			<u>210,090</u>
U.S. Environmental Protection Agency			
Direct Awards			
Brownfield Grant	66.818	BF000D71518	123,885
Passed through Georgia Environmental Finance Authority			
Capitalization Grants for Drinking Water State Revolving Loan Funds	66.468	DW2017006	<u>6,695,756</u>
Total U.S. Environmental Protection Agency			<u>6,819,641</u>
U.S. Department of The Treasury			
Direct Awards			
Equitable Sharing	21.016	15-6400-5-5-123	<u>33,595</u>
Total U.S. Department of the Treasury			<u>33,595</u>
U.S. Department of Justice			
Direct Awards			
Bulletproof Vest Partnership Program	16.607	2018BUBX18095129	<u>2,445</u>
Total U.S. Department of Justice			<u>2,445</u>
U.S. Department of Housing and Urban Development			
Passed through Georgia Department of Community Affairs			
Georgia Community Development Block Grant Program	14.228	17h-x-076-2-5952	153,813
Georgia Community Development Block Grant Program	14.228	19b-x-076-2-6085	<u>128,362</u>
			282,175
SFY 2016 Community HOME Investment Program	14.239	2016-112	<u>216,787</u>
Total U.S. Department of Housing and Urban Development			<u>498,962</u>
Total Expenditures of Federal Awards			<u><u>\$ 7,564,733</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF PERRY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Perry, Georgia (the "City") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 2 CFR part 200, OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. NON-CASH ASSISTANCE AND LOANS

There were no federal awards expended in the form of noncash assistance during the year. There were also no loans or loan guarantees outstanding at year-end.

NOTE 3. DE MINIMIS INDIRECT COST RATE

The City did not use the 10% de minimis indirect cost rate.

NOTE 4. SUBRECIPIENTS

The City did not pass through any funds to subrecipients during the year ended June 30, 2020.

CITY OF PERRY, GEORGIA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? Yes No

Significant deficiencies identified not considered
to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:
Material weaknesses identified? Yes No

Significant deficiencies identified not considered
to be material weaknesses? Yes None Reported

Type of auditor's report issued on compliance for
major programs Unmodified

Any audit findings disclosed that are required to
be reported in accordance with 2 CFR part 200? Yes No

Identification of major program:

CFDA Number
66.468

Name of Federal Program or Cluster
Capitalization Grants for Drinking
Water State Revolving Loan Funds

Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

CITY OF PERRY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020 – 001. General Accounting Matters/Close-Out Procedures

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operations objectives. Generally accepted accounting principles ("GAAP") require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable (and available). Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition: Significant adjustments were determined and required to be recorded in the months that followed June 30, 2020. Further, and throughout the course of the audit process, we noted there was an overall lack of proper and adequate accounting on a timely basis during the fiscal year 2020. We noted deficiencies in timeliness, completeness, and accuracy. Specifically, we noted a lack of timely and accurate financial and non-financial information needed:

- to properly maintain general ledgers, subsidiary ledgers, and
- to properly maintain capital asset details and the related activity.

Specifically, we noted several of the City's beginning fund balance balances did not agree to the prior year audited ending fund balance balances. Also, we noted the City's capital assets were not properly maintained to capture all such activity during the year.

Context: We addressed the matter with the City to determine the appropriate actions are taken so as to properly complete general accounting matters/close-out procedures at June 30, 2020.

Effect: The City did not record a retainage payable for a payment application for the Houston Lake Gas Main Extension Project. An adjustment was required in the Perry Public Facilities Capital Projects Fund to increase the City's liabilities and expenses by \$46,508. An entry was also required in the Gas Fund in the amount of \$46,508 to increase construction-in-progress and contributed capital.

The City recorded an invoice for the Water Treatment Plant #3 twice in construction-in-progress. An adjustment was required in the Water Fund to decrease construction-in-progress and contributed capital in the amount of \$845,211.

The City also failed to record a prior year audit entry. An adjustment in the amount of \$96,287 was required in the General Fund to reduce fund balance and grant revenue, which was already recognized in the prior year.

CITY OF PERRY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2020 – 001. General Accounting Matters/Close-Out Procedures (Continued)

Recommendation: We recommend the City consider and evaluate its strengths and weaknesses relative to the accounting function, and take measures to address the concerns noted above with a goal of providing timely recording and reporting of City operations and financial and non-financial activities.

We further recommend the City continue reinvesting in its accounting personnel by offering better technical education and training via participation in continuing education related to governmental accounting and financial reporting programs which are constantly available in the general geographic area of the City. Once certain levels of technical proficiency are observed by management, we further encourage the City to better cross-train the accounting personnel in an effort to make the accounting function a stronger and more capable accounting and finance department.

Views of Responsible Officials and Planned Corrective Actions: We concur. We will take appropriate measures to ensure all timely and accurate financial and non-financial information will be properly recorded and available at year-end.

CITY OF PERRY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

2019 – 001. Revenue/Receivables Cycle

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. As part of these processes, the City should review all revenue transactions to determine reporting in the proper period.

Condition: The City did not properly record revenues, receivables, and unavailable revenue as of and for the year ended June 30, 2019. Consequently, the respective revenues, receivables, and unavailable revenue of various funds were not properly stated and reflected as of and for the year ended June 30, 2019, and audit adjustments were required to correct such amounts and balances.

Auditee Response/Status: Resolved



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MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2020

2020-001. General Accounting Matters/Close-Out Procedures

Name of Contact Person Responsible for the Corrective Action Plan: Brenda King, Director of Administration

Corrective Action Plan: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

Anticipated Completion Date: Fiscal year 2021.