

**GEORGIA DEPARTMENT OF AUDITS AND ACCOUNTS
NONPROFIT AND LOCAL GOVERNMENT AUDITS DIVISION
AUDIT REPORT TRANSMITTAL DOCUMENT**

Please complete the top portion of this form and submit it with your audit report. We will use this information to furnish your government the results of our review. These results will be furnished by e-mail.

Name of Governmental Unit	City of Flemington	
Fiscal Year End	June 30, 2019	
Governmental Contacts	Name	E-Mail Address
Chief Official (e.g., Mayor, Chairman)	Paul Hawkins	Flemington@Coastalnow.net
City/County Clerk	Jenelle Gordon	Flemington@Coastalnow.net
City/County Manager	N/A	
Finance Director	N/A	
Other Officials to be Notified of Audit Results: (list below)		
Name of Audit Firm	Golden & Associates CPA's, LLC	LLee@GoldenCPA.com
Auditor Contact for this Report	Lisa S. Lee	
CPA Telephone	912-876-8279	
CPA Fax	912-876-8798	
Form Completed by: (Name)	Lisa S. Lee	
(Title)	CPA	

For DOAA Internal Use

Date Rpt Rcvd	Assigned to:	Upload	Mail	E-mail
Type of Report	Date Reviewed	# Grant Cites		
# of 1s	# of 2s	# of Xs	# of 3s	
Date of CPA/Govt Response				
Date Orig. Notice to Govt		Date Rev Notice to Govt		
Report Accepted? Y N		Grants OK? Y N		
CAP Required? Y N		Date Cap Received		
CAP Letter Dates		CAP Not Received		
CAP Has Problems		CAP Accepted		
Pension Plan(s)	Deferred Comp? Y N	OPEB? Y N N/A	Single Audit? Y N	
Total GF Revenues	\$	Total GF Expenditures	\$	
GF Nonspendable FB	\$	GF Restricted FB	\$	
GF Committed FB	\$	GF Assigned FB	\$	
GF Unassigned FB	\$	All Govt Funds Total FB	\$	
Total GW Expenses	Draft to CPA	Letter to Govt	Logged	

CITY OF FLEMINGTON, GEORGIA

* * *

COMBINED
FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

For the Fiscal Year Ended
June 30, 2019

* * *

GOLDEN & ASSOCIATES CPA's, LLC

HINESVILLE, GEORGIA

CITY OFFICIALS

As of June 30, 2019

MAYOR

Paul Hawkins

COUNCIL

Palmer Dasher

Donnie Smith

Gail Evans

David Edwards

Rene Harwell

Leigh Smiley

CITY CLERK

Jenelle Gordon

CITY ATTORNEY

Craig Stafford

CITY OF FLEMINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
June 30, 2019

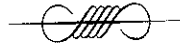
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GOLDEN & ASSOCIATES CPA'S, LLC

Post Office Box 967
Hinesville, GA 31310

769 E. Oglethorpe Hwy
Hinesville, GA 31313



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Council Members of the
City of Flemington, Georgia

Reports on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for 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 and each major fund of the City of Flemington, Georgia, as of June 30, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 4 and 16 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Flemington, Georgia's basic financial statements. The Individual Fund Schedules as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Individual Fund Schedules 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 Individual Fund Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2019, on our consideration of the City of Flemington, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Flemington, Georgia's internal control over financial reporting and compliance.

GOLDEN & ASSOCIATES CPA'S, LLC

Golden & Associates CPA's, LLC

December 10, 2019
Hinesville, Georgia

CITY OF FLEMINGTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

The City of Flemington offers readers the Management & Discussion as a narrative overview and analysis of the financial activities for the year ended June 30, 2019. This discussion should be considered in conjunction with the basic financial statements, notes to the financial statements and additional information furnished with the City's financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City of Flemington exceeded liabilities by \$1,557,613 (*net position*). Of this amount, \$248,106 is unassigned and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$118,176 during the year.
- Revenues increased by 8.53% in total
- Expenses for the City decreased by 2.57%

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Flemington, Georgia's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Flemington.

Basic Financial Statements

The first two statements (Pages 7 through 8) in the basic financial statements are the *Government-wide Financial Statements*. They provide both short and long-term information about the City's financial status.

The next statements (Pages 9 through 10) are Fund Financial Statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements, and 2) the budgetary comparison statements.

CITY OF FLEMINGTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Government-wide Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the City's finances, similar to those used by private-sector companies. The government-wide statements provide short and long-term information about the City's financial status as a whole.

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

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

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 are intended 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, sanitation, health and welfare, and community services.

The government-wide financial statements are on Pages 7 through 8 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. 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 of Flemington uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance.

The City of Flemington has three major governmental funds. The general fund, a special revenue fund for hotel/motel tax and capital projects funds to account for special purpose local option sales tax (SPLOST), Impact Fees and Local Maintenance and Improvements Grant (LMIG).

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end

CITY OF FLEMINGTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is part of the fund financial statements.

The basic governmental fund financial statements can be found beginning on page 9 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 to the financial statements are on page 11 through 19 of this report.

Net Position

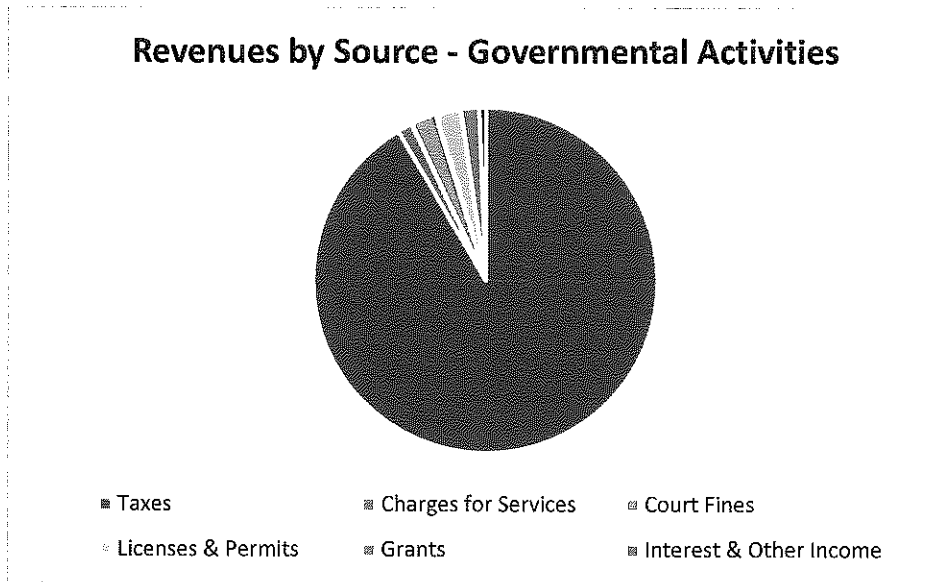
Governmental net position increased by \$83,324. The unassigned portion decreased by \$2,307.

City of Flemington's Net Assets
(In thousands of dollars)

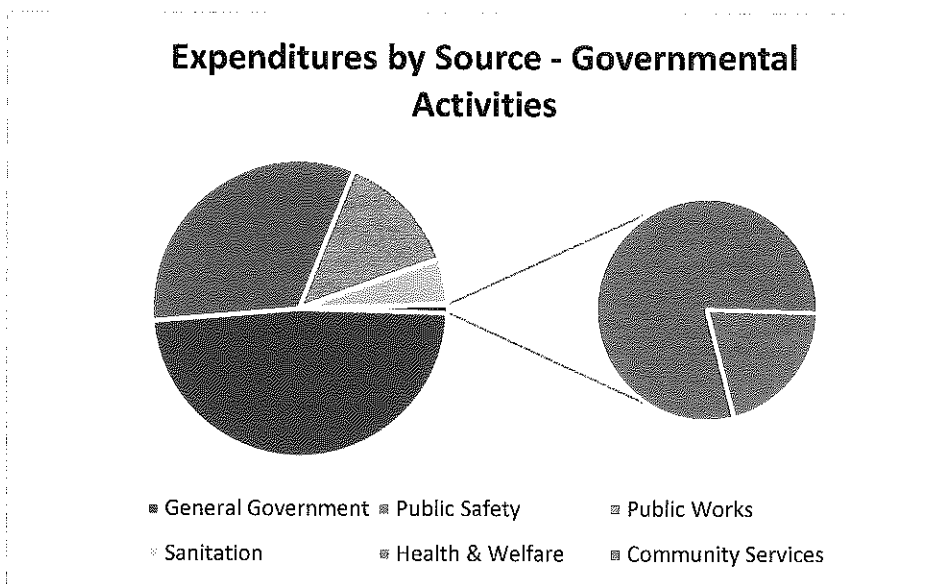
	<u>Governmental Activities</u>		
	<u>Current</u>	<u>Prior</u>	<u>Change</u>
Capital assets, net	\$ 1,054,516	\$ 1,089,369	\$ (34,853)
Current and other assets	<u>596,176</u>	<u>477,888</u>	<u>118,288</u>
Total assets	<u>1,650,692</u>	<u>1,567,257</u>	<u>83,435</u>
Other liabilities	<u>93,079</u>	<u>92,968</u>	<u>111</u>
Total liabilities	<u>93,079</u>	<u>92,968</u>	<u>111</u>
Net assets			
Invested in capital assets, net	1,054,516	1,089,369	(34,853)
Nonspendable	3,277	3,323	(46)
Restricted	191,385	78,506	112,879
Unassigned	248,106	250,413	(2,307)
Assigned	<u>60,329</u>	<u>52,678</u>	<u>7,651</u>
Total net assets	<u>\$ 1,557,613</u>	<u>\$ 1,474,289</u>	<u>\$ 83,324</u>

CITY OF FLEMINGTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Changes in net position Total net position increased to \$1,557,613. Revenues increased by 8.53% to \$877,061 and came from taxes 91.51%, charges for services 1.38%, court fines 2.38%, charges for licenses and permits 2.40%, grants 1.66%, interest and other income 0.67%.



The total costs of all programs and services decreased 2.57% to \$793,738. This consisted of 32.44% for public safety, 13.43% for public works, 5.06% for sanitation, 0.18% for health and welfare, 0.68% for community services and 48.21% for general government.



BASIC FINANCIAL STATEMENTS

CITY OF FLEMINGTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2019

PRIMARY GOVERNMENT
Governmental Activities

ASSETS

Cash	\$	111,047
Investments		395,754
Accounts Receivable (Net of Allowance for Uncollectibles)		74,820
Interest Receivable		-
Sales Tax Receivable		-
Prepaid Expenses		3,277
Intergovernmental		11,278
Capital Assets (net of accumulated depreciation)		
Land		41,568
Buildings		174,242
Machinery and Equipment		34,731
Infrastructure		<u>803,975</u>
 Total Assets		 <u>1,650,692</u>

LIABILITIES

Accounts Payable		86,666
Intergovernmental		5,411
Other Current Liabilities		<u>1,002</u>
 Total Liabilities		 <u>93,079</u>

NET POSITION

Net Investment in Capital Assets		1,054,516
Restricted for:		
Capital Outlay		179,256
Tourism		60,329
Fire Protection		10,269
Law Enforcement		1,008
Road Projects		499
General Administration		353
Unrestricted		<u>311,712</u>
 Total Net Position		 <u>\$ 1,557,613</u>

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

**CITY OF FLEMINGTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	PROGRAM REVENUES			PRIMARY GOVERNMENT
FUNCTIONS / PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 382,628	\$ 21,065	-	120,993
Public Safety	257,491	20,882	-	-
Public Works	106,618	12,070	14,555	-
Sanitation	40,185	-	-	-
Health and Welfare	1,405	-	-	-
Community Services	5,411	-	-	-
Total Governmental Activities	\$ 793,738	\$ 54,017	\$ 14,555	\$ 120,993
				(240,570)
				(236,609)
				(79,993)
				(40,185)
				(1,405)
				(5,411)
				(604,173)

General Revenues:	
General Sales taxes	147,876
Franchise taxes	61,666
Alcoholic beverage tax	16,065
Insurance taxes	54,619
Intangible Recording / Real Estate Transfer Tax	2,599
Motel / Hotel taxes	398,745
	681,570
Interest Income	4,776
Other Income	1,150
	687,496

Change in Net Position	83,323
Beginning Net Position	1,474,290
Ending Net Position	\$ 1,557,613

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

CITY OF FLEMINGTON, GEORGIA
BALANCE SHEET
June 30, 2019

ASSETS	Special Revenue Fund (Hotel-Motel)		Capital Projects Funds		Total Governmental Funds
	General Fund	SPLOST	Impact Fees	LMIG	
Cash	\$ 94,724	\$ -	\$ -	\$ -	\$ 111,047
Investments	205,235	-	-	-	395,754
Accounts Receivable (Net of Allowance for Uncollectibles)	1,476	178,390	12,129	-	74,820
Interest Receivable	-	-	-	-	-
Intergovernmental	3,919	-	-	-	11,278
Due from Other Funds	21,048	7,359	-	14,555	35,603
Prepaid Expense	3,277	-	-	-	3,277
Total Assets	\$ 329,679	\$ 185,749	\$ 12,129	\$ 14,555	\$ 631,779
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 57,328	\$ -	\$ -	\$ -	\$ 86,666
Intergovernmental	5,411	-	-	-	5,411
Due to Other Funds	14,555	21,048	-	-	35,603
Other Current Liabilities	1,002	-	-	-	1,002
Total Liabilities	78,296	21,048	-	-	107,634
Fund Balances:					
Nonspendable:					
Prepaid Items	3,277	-	-	-	3,277
Restricted For:					
Fire Protection	-	-	10,269	-	10,269
Law Enforcement	-	-	1,008	-	1,008
Road Projects	-	-	499	-	499
General Administration	-	-	353	-	353
Capital Outlay	-	164,701	-	14,555	179,256
Unassigned:					
General Fund	248,106	-	-	-	248,106
Assigned For:	-	-	-	-	-
Tourism and Promotion	60,329	-	-	-	60,329
Total Fund Balances	251,383	164,701	12,129	14,555	503,097
Reconciliation of Fund Balance To Net Position of Governmental Activities:					
Capital Assets	1,054,516	-	-	-	1,054,516
Total Liabilities and Fund Balances	\$ 1,305,899	\$ 185,749	\$ 12,129	\$ 14,555	\$ 1,557,613

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

CITY OF FLEMINGTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	General Fund	Hotel / Motel Tax Fund	SPLOST	Capital Projects Funds Impact Fees	LMIG	Total Governmental Funds
REVENUES						
Taxes	\$ 298,001	\$ 398,745	\$ -	\$ -	\$ -	\$ 696,746
Charges for Services	-	-	-	12,070	-	12,070
Licenses & Permits	21,065	-	-	-	-	21,065
Court Fines	20,882	-	-	-	-	20,882
Intergovernmental	-	-	105,817	-	-	105,817
Grants	-	-	-	-	14,555	14,555
Interest Earnings	3,291	-	1,426	59	-	4,776
Other Revenues	1,150	-	-	-	-	1,150
TOTAL REVENUES	<u>344,390</u>	<u>398,745</u>	<u>107,243</u>	<u>12,129</u>	<u>14,555</u>	<u>877,061</u>
EXPENDITURES						
Current Operating:						
General Government (Note 5)	208,571	161,261	-	-	-	369,832
Public Safety	251,631	-	-	-	-	251,631
Public Works	63,699	-	-	-	-	63,699
Sanitation	40,185	-	-	-	-	40,185
Health and Welfare	1,405	-	-	-	-	1,405
Community Services	5,411	-	-	-	-	5,411
Capital Outlay	5,874	-	21,048	-	-	26,722
TOTAL EXPENDITURES	<u>576,576</u>	<u>161,261</u>	<u>21,048</u>	<u>-</u>	<u>-</u>	<u>758,885</u>
REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	<u>(232,186)</u>	<u>237,484</u>	<u>86,195</u>	<u>12,129</u>	<u>14,555</u>	<u>118,176</u>
OTHER FINANCING SOURCES (USES):						
Transfers In	229,833	-	-	-	-	229,833
Transfers Out	-	(229,833)	-	-	-	(229,833)
TOTAL OTHER FINANCING SOURCES (USES)	<u>229,833</u>	<u>(229,833)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(2,353)</u>	<u>7,651</u>	<u>86,195</u>	<u>12,129</u>	<u>14,555</u>	<u>118,176</u>
BEGINNING FUND BALANCE	<u>253,737</u>	<u>52,678</u>	<u>78,506</u>	<u>-</u>	<u>-</u>	<u>384,921</u>
ENDING FUND BALANCE	<u>\$ 251,384</u>	<u>\$ 60,329</u>	<u>\$ 164,701</u>	<u>\$ 12,129</u>	<u>\$ 14,555</u>	<u>\$ 503,097</u>
RECONCILIATION OF CHANGE IN FUND BALANCE TO CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES:						
Net Change in Fund Balance						\$ 118,176
Capital Outlays						26,548
Depreciation						(61,401)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES						<u>\$ 83,323</u>

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

City of Flemington, Georgia
Notes to Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (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 government's accounting policies are described below.

A. Reporting Entity

The City of Flemington was incorporated February 18, 1941, under the provisions of an Act of the General Assembly of Georgia (Ga. Laws 1941, p. 1436). The City operates under a Mayor-Council form of government and provides the following services as provided by its charter: general administration, streets and drainage, public health, parks and recreation, garbage and trash collection, planning and zoning, enforcement of codes and water and sewage services.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. A Component unit is defined as a legally separate organization for which the elected officials of the primary government are financially accountable. Component units can also be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's financial statements to be misleading or incomplete. There are no potential component units that have not been included as part of the City's reporting entity.

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 and other items not properly included among program revenues are reported instead as *general revenues*.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

City of Flemington, Georgia
Notes to Financial Statements
June 30, 2019

Sales tax, franchise fees, motel tax, alcohol beverage taxes and interest associated with the current fiscal period are 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 government.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The Government reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Hotel / Motel Tax Fund – This special revenue fund accounts for the hotel/motel tax collections and related expenditures.

SPLOST Funds – This capital projects fund account for Special Purpose Local Option Sales Tax (SPLOST) proceeds and expenditures related to capital acquisition or construction of capital assets.

LMIG Fund – This capital projects fund accounts for Local Maintenance & Improvement Grant (LMIG) proceeds and expenditures related to capital acquisition or construction of capital assets.

Impact Fees Fund – This capital projects fund is used to account for fees assessed upon development activity that are collected to pay for system improvements (recreation/parks, streets, and public safety) as defined within the government's impact fee ordinance.

D. Budgets and Budgetary Accounting

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

1. Generally, in April or May, prior to submitting the proposed budget for approval, the Council holds a budget workshop(s) to work on establishing the budget.
2. On a date set by the Council, the Mayor submits to the Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
3. On the day the budget is submitted to the Council, a copy is placed in a convenient public place and a notice of its availability is published.

Not later than one week prior to adoption of the budget, the Council conducts a public hearing on the proposed budget.

After the public hearing, the Council makes whatever changes it deems necessary and adopts the budget resolution, making the appropriations for the ensuing fiscal year.

Any increase in appropriation in any fund for a department of the City, whether accomplished through an increase in anticipated revenues or through a transfer of appropriation requires the approval of the council.

City of Flemington, Georgia
Notes to Financial Statements
June 30, 2019

Transfers of appropriations in any fund among the various accounts within a department require only the approval of the budget officer, except that an increase in salary appropriation requires the approval of the Council.

Budgets for all funds of the City are adopted on a basis that is consistent with the basis of governmental accounting being used (modified accrual basis). This basis is consistent with generally accepted accounting principles.

Budgeted amounts are as originally adopted.

E. Capital Assets

All capital assets including current infrastructure (sidewalks) are recorded at cost and depreciated (except for land) using the straight-line method over estimated useful lives ranging from 5 to 50 years. The capitalization threshold for all assets is \$5,000 and an estimated useful life in excess of one year. Construction interest is capitalized and included in the cost of any constructed fixed assets. Donated fixed assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital Assets of the primary government are depreciated using the straight-line method over the following useful lives:

<u>Reporting Entity/Capital Asset Classes</u>	<u>Lives</u>
Primary Government:	
Buildings and Improvements	10 to 50 years
Machinery and Equipment	5 to 40 years
Infrastructure	20 to 50 years

F. Investments

For purposes of the statement of cash flows, cash includes all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the City to invest in obligations of the U.S. Government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). Georgia Fund 1, created under OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAAM rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services.

For fiscal year 2019, the City invested only in certificates of deposits. The investments are stated at the lower of cost or market value.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities

City of Flemington, Georgia
Notes to Financial Statements
June 30, 2019

Note G – Used of Estimates (Continued)

and 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.

H. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid expense as of June 30, 2019 consisted of the following:

Prepaid Fees	\$2,700
Prepaid Insurance	<u>577</u>
Total Prepaid Expenses	<u>\$3,277</u>

I. Fund Balance and Flow Assumptions

In the financial statements, governmental funds report the following classifications of fund balance in accordance with Governmental Accounting Standards Board Statement No. 54:

- Nonexpendable – amounts that cannot be spent because they are either (a) not in expendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Assigned – amounts that are constrained by the City Council’s intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned – amounts that have not been assigned to other funds, and are not restricted, committed, or assigned to specific purposes within the General Fund.

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 the following order:

- Assigned
- Unassigned

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

City of Flemington, Georgia
Notes to Financial Statements
June 30, 2019

The following is a summary of the fund balance classifications as of June 30, 2019:

	<u>General Fund</u>	<u>Hotel/Motel Tax Fund</u>	<u>Capital Projects Funds</u>			<u>Total Governmental Funds</u>
			<u>SPLOST</u>	<u>Impact Fees</u>	<u>LMIG</u>	
Beginning Fund Balance	\$ 253,737	\$ 52,678	\$ 78,506	\$ -	\$ -	\$ 384,921
Revenues over Expenditures (Expenditures over Revenues)	(232,186)	237,484	86,195	12,129	14,555	118,177
Net Transfers In (Out)	<u>229,833</u>	<u>(229,833)</u>	-	-	-	-
Ending Fund Balance	<u>\$ 251,384</u>	<u>\$ 60,329</u>	<u>\$ 164,701</u>	<u>\$ 12,129</u>	<u>\$ 14,555</u>	<u>\$ 503,098</u>

Reconciliation of Change in Fund Balance to Change in Net Assets of Governmental Activities:

Net Change in Fund Balance	\$ 118,177
Capital Outlays	26,548
Depreciation	<u>(61,401)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 83,324

J. Joint Venture

Under Georgia law, the City is a member of the Coastal Georgia Regional Development Center and is required to pay annual dues thereto. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a RDC.

Management believes that the RDC is currently accumulating sufficient financial resources to meet its financial obligations. Separate financial statements may be obtained from:

Coastal Georgia Regional Development Center
P.O. Box 1917
Brunswick, Georgia 31521

City of Flemington, Georgia
Notes to Financial Statements
June 30, 2019

NOTE 2 - CASH AND INVESTMENTS

The City's deposits are categorized to give an indication of the level of risk assumed by the City at year end. Category 1 includes deposits that are insured or collateralized with securities held by the City or its agent in the City's name. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 includes deposits uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name.

At June 30, 2018, cash deposits (including all certificates of deposits and money market accounts which may be classified as investments for financial reporting) totaled approximately \$402,742. This entire amount (credit risk type 1) was fully insured and/or collateralized.

NOTE 3 - FIXED ASSETS

A summary of general fixed asset transactions for the year ended June 30, 2019 follows:

	Balance <u>June 30, 2018</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2019</u>
Infrastructure	1,261,014	21,048	-	1,282,062
Building	320,845	5,500	-	326,345
Machinery and Equipment	<u>97,977</u>	<u>-</u>	<u>-</u>	<u>97,977</u>
	<u>1,679,836</u>	<u>26,548</u>	<u>-</u>	<u>1,706,384</u>
Accumulated Depreciation:				
Infrastructure	(435,168)	(42,919)	-	(478,087)
Building	(142,531)	(9,572)	-	(152,103)
Machinery and Equipment	<u>(54,336)</u>	<u>(8,910)</u>	<u>-</u>	<u>(63,246)</u>
	<u>(632,035)</u>	<u>(61,401)</u>	<u>-</u>	<u>(693,436)</u>
Depreciable Capital Assets - Net	1,047,801	(34,853)	-	1,012,948
Land / Land Improvements	<u>41,568</u>	<u>-</u>	<u>-</u>	<u>41,568</u>
Total Capital Assets – Net	<u>\$ 1,089,369</u>	<u>\$ (34,853)</u>	<u>\$ -</u>	<u>\$ 1,054,516</u>

City of Flemington, Georgia
Notes to Financial Statements
June 30, 2019

NOTE 3 - FIXED ASSETS (Continued)

Depreciation expense was charged as follows:

General Government	\$ 12,622
Public Safety	5,860
Public Works	42,919
Sanitation	<u>-</u>
	<u>\$ 61,401</u>

NOTE 4 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions for which the City carries insurance coverage. There were no significant reductions of insurance coverage compared to the prior year. There have been no claims against the City in the past three fiscal years.

Self-Insurance

The City pays unemployment claims to the state department of labor on a reimbursement basis. There have been no liabilities for such claims.

NOTE 5 - REVENUES & EXPENDITURES - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

General Government expenditures are as follows:

	June 30, 2019	June 30, 2018
Salaries	\$ 34,498	\$ 36,972
General Administration	6,061	9,775
Planning and Zoning	9,701	11,079
Enforcement of Code	2,400	2,400
Council Fees	44,100	31,900
Elections	-	13,009
Conventions and Meetings	12,301	17,880
Professional Fees	51,190	44,021
Office Expense	8,028	9,230
Insurance	10,317	10,211
Rent and Occupancy	15,348	20,146
Payroll Taxes	2,859	2,744
Social Services	3,000	2,500
Dues & Subscriptions, Miscellaneous	<u>8,768</u>	<u>2,632</u>
Subtotal	208,571	214,499
Tourism	<u>161,261</u>	<u>155,216</u>
	<u>\$ 369,832</u>	<u>\$ 369,715</u>

City of Flemington, Georgia
Notes to Financial Statements
June 30, 2019

NOTE 5 – Continued

Public Safety expenditures are as follows:

Officer Cost	\$ 65,416	\$ 65,676
Auto / Equipment Expense	2,298	807
Fire Services	<u>183,917</u>	<u>192,346</u>
	<u>\$ 251,631</u>	<u>\$ 258,829</u>

Highways, Streets and Infrastructure expenditures are as follows:

Streets and Drainage	<u>\$ 63,699</u>	<u>\$ 72,598</u>
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Sanitation expenditures are as follows:

Solid Waste	<u>\$ 40,185</u>	<u>\$ 42,406</u>
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Health & Welfare expenditures are as follows:

Public Health	<u>\$ 1,405</u>	<u>\$ 1,874</u>
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Community Services expenditures are as follows:

Transit Cost-Share	<u>\$ 5,411</u>	<u>\$ 5,348</u>
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NOTE 6 - HOTEL / MOTEL LODGING TAX

The government has levied a 5% lodging tax. Of this tax, 40% of the amount received is paid out to various entities to promote lodging and tourism. A summary of the transactions for the years ending June 30, 2018 follows:

	June 30, 2019
Hotel/Motel tax revenue	<u>\$398,745</u>
40% of tax receipts required to be disbursed for the year ending June 30th	<u>\$159,498</u>
Tourism disbursements	<u>\$161,261</u>

City of Flemington, Georgia
Notes to Financial Statements
June 30, 2019

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

Interfund balances as of June 30, 2019 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	SPLOST Fund	\$ 21,048
LMIG	General Fund	\$ 14,555

Internal transfers for the year ended June 30, 2019 were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Hotel/Motel Fund	\$229,833

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them and (2) use unrestricted revenues collected in the Hotel/Motel Fund to finance various programs accounted for in the General Fund in accordance with budgetary authorizations.

NOTE 8 – SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST)

The special purpose local option sales tax VI funds are capital projects funds used to account for the proceeds of a 1% special purpose local option sales tax. The SPLOST VI project list with an estimated \$54 million over a six year period, was voted on and approved by the citizens of Liberty County on November 8, 2016. The City of Flemington is designated to receive 2.29% of these funds and expects to receive \$464,058 in sales tax proceeds from SPLOST VI over the six year period. These funds are projected to be used for road projects and governmental facilities. Proceeds of \$184,331 have been received to date, but none have been expended. The remaining \$25,461 of SPLOST V funds held by Liberty County on behalf of the City were distributed to the City of Flemington during this fiscal year.

NOTE 9 – SUBSEQUENT EVENTS

On November 11, 2019, the City of Flemington adopted the Transportation Special Purpose Local Option Sales Tax (TSPLOST) Resolution. This Resolution involves an Intergovernmental Agreement with Liberty County and area municipalities governing the TSPLOST to be submitted to the voters of the County at a Special Election to be held on March 24, 2020. The Intergovernmental Agreement stipulates the rate of the TSPLOST of 1% and its term of 5 years. Of the proceeds collected and received by Liberty County, 1.718% will be allocated to the City of Flemington.

City of Flemington, Georgia
Notes to Financial Statements
June 30, 2019

NOTE 9 – SUBSEQUENT EVENTS – Continued

The City Council has adopted a motion to transfer the residential expense of poly cart service from the City of Flemington to the homeowner's property tax bill. The City is in the process establishing the ordinance and of informing the residents of the City of the pending change. This is anticipated to be put into effect during the next fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FLEMINGTON, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2019

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 280,500	\$ 280,500	\$ 298,002	\$ 17,502
Licenses & Permits	25,225	25,225	21,065	(4,159)
Court Fines	6,000	6,000	20,882	14,882
Grants	-	-	-	-
Interest Earnings	3,000	3,000	3,291	291
Other Income	-	-	1,150	1,150
TOTAL REVENUES	<u>314,725</u>	<u>314,725</u>	<u>344,390</u>	<u>29,666</u>
EXPENDITURES				
Current Operating:				
General Government (Note 5)	255,125	247,625	208,571	39,054
Public Safety	245,700	251,700	251,631	69
Public Works	75,000	75,000	63,699	11,301
Sanitation	45,000	45,000	40,185	4,815
Health Welfare	1,900	1,900	1,405	495
Community Services	5,000	5,500	5,411	89
Capital Outlay	5,000	6,000	5,674	326
TOTAL EXPENDITURES	<u>632,725</u>	<u>632,725</u>	<u>576,576</u>	<u>56,149</u>
REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	<u>(318,000)</u>	<u>(318,000)</u>	<u>(232,186)</u>	<u>85,815</u>
OTHER FINANCING SOURCES (USES):				
Transfers In - Hotel/Motel Special Revenue Fund	252,000	252,000	229,833	22,167
Transfers Out - TE Grant Capital Projects Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>252,000</u>	<u>252,000</u>	<u>229,833</u>	<u>22,167</u>
NET CHANGE IN FUND BALANCE	<u>(66,000)</u>	<u>(66,000)</u>	<u>(2,353)</u>	<u>107,982</u>
BEGINNING FUND BALANCE	<u>253,737</u>	<u>429,023</u>	<u>253,737</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 187,737</u>	<u>\$ 363,023</u>	<u>\$ 251,384</u>	<u>\$ 107,982</u>

CITY OF FLEMINGTON, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - HOTEL-MOTEL TAX
For the Year Ended June 30, 2019

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 420,000	\$ 420,000	\$ 398,745	\$ (21,255)
Licenses & Permits	-	-	-	-
Court Fines	-	-	-	-
Grants	-	-	-	-
Interest Earnings	-	-	-	-
Other Income	-	-	-	-
TOTAL REVENUES	<u>420,000</u>	<u>420,000</u>	<u>398,745</u>	<u>(21,255)</u>
EXPENDITURES				
Current Operating:				
General Government (Note 5)	168,000	168,000	161,261	6,739
Public Safety	-	-	-	-
Public Works	-	-	-	-
Sanitation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>168,000</u>	<u>168,000</u>	<u>161,261</u>	<u>6,739</u>
REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	<u>252,000</u>	<u>252,000</u>	<u>237,484</u>	<u>(14,516)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out	(252,000)	(252,000)	(229,833)	(22,167)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(252,000)</u>	<u>(252,000)</u>	<u>(229,833)</u>	<u>(22,167)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>7,651</u>	<u>7,651</u>
BEGINNING FUND BALANCE	<u>52,678</u>	<u>52,678</u>	<u>52,678</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 52,678</u>	<u>\$ 52,678</u>	<u>\$ 60,329</u>	<u>\$ 7,651</u>

CITY OF FLEMINGTON, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
For the Year Ended June 30, 2019

Project Description	Estimated Cost		Cost		
	Original	Current	Prior Years	Current Year	Total
SPLOST V Funds:					
Road, streets and drainage	\$ 68,642	\$ 72,092	\$ 46,631	\$ 21,048	\$ 67,679

INDIVIDUAL FUND SCHEDULES

Major Governmental Funds

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Hotel/Motel Fund - This fund is used to account for the collection and disbursement of a lodging tax levied in the City for the purpose of tourism. These funds which are restricted by state law are used to promote tourism in the area.

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 Project Funds exclude those types of capital-related outflows financial by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

SPLOST V & VI Funds - These funds are used to account for the proceeds of a 1% Special Purpose Local Option Sales Tax (SPLOST). Resources are used for road and drainage improvements.

Impact Fees Fund - This fund is used to account for fees assessed upon development activity that are collected to pay for system improvements (recreation/parks, streets, and public safety) as defined within the government's impact fee ordinance.

LMIG Fund - This fund is used to account for Local Maintenance & Improvement Grant (LMIG) proceeds and expenditures related to capital acquisition or construction of capital assets.

CITY OF FLEMINGTON, GEORGIA
General Fund
SCHEDULE OF ASSETS, LIABILITIES FUND BALANCES
June 30, 2019 and 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Cash	\$ 94,724	\$ 82,571
Investments	205,235	227,649
Accounts Receivable (Net of Allowance for Uncollectibles)	1,476	1,399
Interest Receivable	-	691
Intergovernmental	3,919	5,297
Prepaid Insurance	<u>3,277</u>	<u>3,323</u>
Total Assets	<u>\$ 308,631</u>	<u>\$ 320,930</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts Payable	\$ 57,328	\$ 66,059
Other Current Liabilities	<u>1,002</u>	<u>1,135</u>
Total Liabilities	<u>58,330</u>	<u>67,194</u>
Fund Balances:		
Nonspendable:		
Prepaid Items	3,277	3,323
Unassigned	<u>247,024</u>	<u>250,413</u>
Total Fund Balances	250,301	253,736
Total Liabilities and Fund Balances	<u>\$ 308,631</u>	<u>\$ 320,930</u>

CITY OF FLEMINGTON, GEORGIA
General Fund
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUES		
Taxes	\$ 298,001	\$ 260,037
Licenses & Permits	21,065	21,543
Court Fines	20,882	8,337
Grants	-	-
Interest Earnings	3,291	1,151
Other Income	<u>1,150</u>	<u>12,100</u>
TOTAL REVENUES	<u>344,389</u>	<u>303,167</u>
EXPENDITURES		
Current Operating:		
General Government (Note 5)	208,571	214,499
Public Safety	251,631	258,829
Public Works	63,699	72,598
Sanitation	40,185	42,406
Health Welfare	1,405	1,874
Community Services	5,411	5,348
Capital Outlay	<u>5,674</u>	<u>14,052</u>
TOTAL EXPENDITURES	<u>576,576</u>	<u>609,606</u>
REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	<u>(232,187)</u>	<u>(306,439)</u>
OTHER FINANCING SOURCES (USES):		
Transfers In - Hotel/Motel Special Revenue Fund	229,833	233,091
Transfers Out - TE Grant Capital Projects Fund	<u>-</u>	<u>(101,939)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>229,833</u>	<u>131,152</u>
NET CHANGE IN FUND BALANCE	<u>(2,354)</u>	<u>(175,287)</u>
BEGINNING FUND BALANCE	<u>253,737</u>	<u>429,023</u>
ENDING FUND BALANCE	<u>\$ 251,383</u>	<u>\$ 253,737</u>

CITY OF FLEMINGTON, GEORGIA
Hotel/Motel - Special Revenue Fund
SCHEDULE OF ASSETS, LIABILITIES FUND BALANCES
June 30, 2019 and 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Cash	\$ 16,323	\$ 14,016
Investments	-	-
Accounts Receivable (Net of Allowance for Uncollectibles)	73,344	64,436
Interest Receivable	-	-
Intergovernmental	-	-
Prepaid Insurance	-	-
	<hr/>	<hr/>
Total Assets	\$ 89,667	\$ 78,452
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts Payable	\$ 29,338	\$ 25,774
Other Current Liabilities	-	-
	<hr/>	<hr/>
Total Liabilities	29,338	25,774
Fund Balances:		
Assigned For:		
Special Revenue Fund	<hr/> 60,329	<hr/> 52,678
Total Fund Balances	60,329	52,678
 Total Liabilities and Fund Balances	 \$ 89,667	 \$ 78,452

CITY OF FLEMINGTON, GEORGIA
Hotel/Motel - Special Revenue Fund
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUES		
Taxes	\$ 398,745	\$ 383,086
Other Income	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>398,745</u>	<u>383,086</u>
EXPENDITURES		
Current Operating:		
General Government (Note 5)	<u>161,261</u>	<u>155,216</u>
TOTAL EXPENDITURES	<u>161,261</u>	<u>155,216</u>
REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	<u>237,484</u>	<u>227,870</u>
OTHER FINANCING SOURCES (USES):		
Transfers In	-	3,300
Transfers Out	<u>(229,833)</u>	<u>(233,091)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(229,833)</u>	<u>(229,791)</u>
NET CHANGE IN FUND BALANCE	<u>7,651</u>	<u>(1,921)</u>
BEGINNING FUND BALANCE	<u>52,678</u>	<u>54,599</u>
ENDING FUND BALANCE	<u>\$ 60,329</u>	<u>\$ 52,678</u>

CITY OF FLEMINGTON, GEORGIA
SPLOST - Capital Projects Fund
SCHEDULE OF ASSETS, LIABILITIES FUND BALANCES
June 30, 2019 and 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Cash	\$ -	\$ -
Investments	178,390	78,506
Accounts Receivable (Net of Allowance for Uncollectibles)	-	-
Interest Receivable	-	-
Intergovernmental	7,359	-
Due from Other Funds	-	-
Prepaid Insurance	-	-
	<hr/>	<hr/>
Total Assets	\$ 185,749	\$ 78,506
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts Payable	\$ -	\$ -
Intergovernmental	-	-
Due to Other Funds	21,048	-
Other Current Liabilities	-	-
	<hr/>	<hr/>
Total Liabilities	21,048	-
Fund Balances:		
Restricted For:		
Capital Outlay	164,701	-
Unassigned	-	78,506
	<hr/>	<hr/>
Total Fund Balances	164,701	78,506
Total Liabilities and Fund Balances	\$ 185,749	\$ 78,506

CITY OF FLEMINGTON, GEORGIA
SPLOST - Capital Projects Fund
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUES		
Taxes	\$ -	\$ 71,636
Charges for Services	-	-
Licenses & Permits	-	-
Court Fines	-	-
Intergovernmental	105,817	-
Grants	-	-
Interest Earnings	1,426	-
Other Revenues	-	-
	<u>107,243</u>	<u>71,636</u>
TOTAL REVENUES		
	<u>107,243</u>	<u>71,636</u>
EXPENDITURES		
Current Operating:		
General Government (Note 5)	-	-
Public Safety	-	-
Public Works	-	-
Sanitation	-	-
Health Welfare	-	-
Community Services	-	-
Capital Outlay	21,048	-
	<u>21,048</u>	<u>-</u>
TOTAL EXPENDITURES		
	<u>21,048</u>	<u>-</u>
REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	<u>86,195</u>	<u>71,636</u>
OTHER FINANCING SOURCES (USES):		
Transfers In	-	-
Transfers Out	-	-
	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)		
	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>86,195</u>	<u>71,636</u>
BEGINNING FUND BALANCE	<u>78,506</u>	<u>6,870</u>
ENDING FUND BALANCE	<u>\$ 164,701</u>	<u>\$ 78,506</u>

CITY OF FLEMINGTON, GEORGIA
Impact Fees - Capital Projects Fund
SCHEDULE OF ASSETS, LIABILITIES FUND BALANCES
June 30, 2019 and 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Cash	\$ -	\$ -
Investments	12,129	-
Accounts Receivable (Net of Allowance for Uncollectibles)	-	-
Interest Receivable	-	-
Intergovernmental	-	-
Due from Other Funds	-	-
Prepaid Insurance	-	-
	<hr/>	<hr/>
Total Assets	\$ 12,129	\$ -
	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts Payable	\$ -	\$ -
Intergovernmental	-	-
Due to Other Funds	-	-
Other Current Liabilities	-	-
	<hr/>	<hr/>
Total Liabilities	-	-
	<hr/>	<hr/>
Fund Balances:		
Restricted For:		
Capital Outlay	-	-
Unassigned	12,129	-
	<hr/>	<hr/>
Total Fund Balances	12,129	-
	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 12,129	\$ -
	<hr/>	<hr/>

CITY OF FLEMINGTON, GEORGIA
Impact Fees - Capital Projects Fund
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUES		
Taxes	\$ -	\$ -
Charges for Services	12,070	
Licenses & Permits	-	-
Court Fines	-	-
Intergovernmental	-	
Grants	-	-
Interest Earnings	59	-
Other Revenues	-	-
	<hr/>	<hr/>
TOTAL REVENUES	<u>12,129</u>	<u>-</u>
EXPENDITURES		
Current Operating:		
General Government (Note 5)	-	-
Public Safety	-	-
Public Works	-	-
Sanitation	-	-
Health Welfare	-	-
Community Services	-	-
Capital Outlay	-	-
	<hr/>	<hr/>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	<u>12,129</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):		
Transfers In	-	-
Transfers Out	-	-
	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>12,129</u>	<u>-</u>
BEGINNING FUND BALANCE	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 12,129</u>	<u>\$ -</u>

CITY OF FLEMINGTON, GEORGIA
LMIG - Capital Projects Fund
SCHEDULE OF ASSETS, LIABILITIES FUND BALANCES
June 30, 2019 and 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Cash	\$ -	\$ -
Investments	-	-
Accounts Receivable (Net of Allowance for Uncollectibles)	-	-
Interest Receivable	-	-
Intergovernmental	-	-
Due from Other Funds	14,555	-
Prepaid Insurance	-	-
	<hr/>	<hr/>
Total Assets	\$ 14,555	\$ -
	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts Payable	\$ -	\$ -
Intergovernmental	-	-
Due to Other Funds	-	-
Other Current Liabilities	-	-
	<hr/>	<hr/>
Total Liabilities	-	-
	<hr/>	<hr/>
Fund Balances:		
Restricted For:		
Capital Outlay	14,555	-
Unassigned	-	-
	<hr/>	<hr/>
Total Fund Balances	14,555	-
	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 14,555	\$ -
	<hr/>	<hr/>

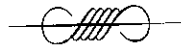
CITY OF FLEMINGTON, GEORGIA
LMiG - Capital Projects Fund
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUES		
Taxes	\$ -	\$ -
Charges for Services	-	-
Licenses & Permits	-	-
Court Fines	-	-
Intergovernmental	-	-
Grants	14,555	50,266
Interest Earnings	-	-
Other Revenues	-	-
	<u> </u>	<u> </u>
TOTAL REVENUES	<u>14,555</u>	<u>50,266</u>
EXPENDITURES		
Current Operating:		
General Government (Note 5)	-	-
Public Safety	-	-
Public Works	-	-
Sanitation	-	-
Health Welfare	-	-
Community Services	-	-
Capital Outlay	-	148,905
	<u> </u>	<u> </u>
TOTAL EXPENDITURES	<u>-</u>	<u>148,905</u>
REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	<u>14,555</u>	<u>(98,639)</u>
OTHER FINANCING SOURCES (USES):		
Transfers In	-	98,639
Transfers Out	-	-
	<u> </u>	<u> </u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>98,639</u>
NET CHANGE IN FUND BALANCE	<u>14,555</u>	<u>-</u>
BEGINNING FUND BALANCE	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 14,555</u>	<u>\$ -</u>
	-	-

GOLDEN & ASSOCIATES CPA'S, LLC

Post Office Box 967
Hinesville, GA 31310

769 E. Oglethorpe Hwy
Hinesville, GA 31313



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

To the Honorable Mayor and Council
City of Flemington, 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Flemington, Georgia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Flemington, Georgia's basic financial statements and have issued our report thereon dated December 10, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Flemington, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Flemington's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Flemington'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 preceding paragraph 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questions costs that we consider to be a significant deficiencies: Finding 2012-1.

Compliance and Other Matters

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

City of Flemington, Georgia's Response to Findings

The City of Flemington, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City of Flemington, Georgia'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 *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GOLDEN & ASSOCIATES CPA'S, LLC

Golden & Associates CPA's, LLC

December 10, 2019
Hinesville, Georgia

CITY OF FLEMINGTON, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2019

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the City of Flemington, Georgia
2. A significant deficiency relating to the audit of the financial statements is disclosed in the 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. We do not consider this significant deficiency to be a material weakness.
3. No instances of noncompliance material to the financial statements of the City of Flemington, Georgia were disclosed during the audit.

FINDINGS – FINANCIAL STATEMENTS AUDIT

2012-1: Segregation of Duties

A proper segregation of duties does not exist between the handling of cash receipts and disbursement, access to accounts receivable and accounts payable detail, access to the general ledger, and reconciliation of bank accounts.

Criteria:

Person handling cash receipts or disbursements should not sign checks, perform bank reconciliations, or have access to the accounting system.

Effect:

Single employee / Clerk makes it impractical to segregate duties sufficiently to insure proper cash management and financial reporting.

Recommendation:

The Mayor should review the general ledger monthly and periodically compare it to detail schedules of receipts and disbursements, receipt books and bank reconciliations.

Response:

This office concurs with this finding

CITY OF FLEMINGTON

CORRECTIVE ACTION PLAN
For The Year Ended June 30, 2019

156 Old Sunbury Road
Flemington, GA 31313
P.O. Box 46
Hinesville, GA 31310

Phone: 912-877-3223
Fax: 912-877-3233

E-mail:
flemington@coastalnow.net

ALL FUNDS:

FINDING:

Proper segregation of duties does not exist.

OUR RESPONSE:

A single employee (City Clerk) makes it impractical to segregate duties sufficiently to insure proper cash management and financial reporting. It is not financially feasible to hire additional personnel. The Mayor does and always has reviewed the general ledger monthly and periodically and compared it to detailed accounting records. In addition, the entire Council reviews the cash receipts and disbursements monthly.

Respectfully Submitted,


Paul Hawkins
Mayor, City of Flemington