



CITY OF
CONYERS, GEORGIA

Celebration of Community

Comprehensive Annual Financial Report

Year Ending June 30, 2020

www.conyersga.gov



CITY OF
CONYERS
Celebration of Community

City of Conyers, Georgia
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2020

Prepared by:
Department of Finance & Administration

Chief Financial Officer: Isabel Rogers
CPA: Twan L. Leonard

**CITY OF CONYERS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020**

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INTRODUCTORY SECTION



**CITY OF
CONYERS**
Celebration of Community

TRANSMITTAL LETTER
CITY OF CONYERS
GEORGIA

November 18, 2020

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Conyers:

Mayor

Vince Evans

City Council

Cleveland Stroud
Gerald Hinesley Sr.
Valyncia Smith
Connie Alsobrook

City Manager

Tony Lucas

Chief Financial Officer

Isabel Rogers

Chief Operating Officer

David Spann

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State Law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Conyers for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of the City of Conyers. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Conyers has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Conyers' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Conyers' comprehensive framework of internal controls, has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Conyers' financial statements have been audited by Mauldin & Jenkins, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Conyers for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Conyers' financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Conyers' MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The City of Conyers is a municipal corporation created and existing under the laws of the State of Georgia. Conyers is located in the eastern edge of the Atlanta Metropolitan Area, approximately 24 miles east of the City of Atlanta. Conyers is the county seat of Rockdale County, and is the only incorporated city within Rockdale County. The City, originally chartered in 1854, presently has a land area of approximately 11.80 square miles. The City provides a full range of services to approximately 16,015 citizens. Included in these services are traditional municipal functions such as public police protection, sanitation services, security alarm monitoring and maintenance, culture and recreation, street maintenance, stormwater and environmental services.

Policy-making and legislative authority are vested in a governing council consisting of the mayor and five other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the city manager and the city attorney. The city manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with four council members elected every two years. The mayor is elected to serve a four-year term also. All of the council members are elected by district. The mayor is elected at large.

The annual budget serves as the foundation for the City's financial planning and control. The Chief Financial Officer may revise appropriations within each department; however, transfers of appropriations between departments and the appropriation of additional funds, require the special approval of the City Council in the form of a budget amendment.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Conyers operates.

Local economy: The City of Conyers currently has a stable economic environment and local indicators point to continued stability and growth. The region has a varied manufacturing and industrial base and the City's financial forecast for the next five years indicates stable economic growth. This analysis is based in large measure, on the financial trend analysis of key indicators such as taxable property values and population growth.

Tourism: Impact numbers provided by the U.S. Travel Association, who conduct an annual study for the Georgia Department of Economic Development (GDEcD), reflect that locally, tourists spent approximately \$136.86 million in Conyers and Rockdale County in fiscal year 2017. The county ranked 29th out of Georgia's 159 counties in the ranking of counties by tourists' expenditure levels.

Recent Development: The City continues to see growth in local development and commerce. Residential dwelling permits continue to be issued at a steady pace. Interest in redevelopment also continues. The completion of the new Conyers City Hall in 2020 is likely to be a catalyst for multi-use redevelopment in the areas of West Avenue, Hardin and O'Kelly streets and Olde Town Conyers.

Long Term Financial Planning

The City has developed a strategic plan that will focus on the following areas of priority: City Hall Master Plan, Community Identity, Quality of Life, Olde Towne, Transportation and Infrastructure, Recreation and Internal Operations. Public input was received to assist the City with developing this plan. The steps necessary for implementation have been developed and will serve as a guide to complete each area of priority.

City Hall Master Plan

Architectural and design firm Precision Planning, Inc., and construction manager at risk firm Reeves Young were selected from numerous requests for proposals for design and construction services of the new city hall building. After months of preparation, ground was officially broken on the new site at 901 O’Kelly Street in July 2019. The building will be completed in fall 2020.

Community Identity

Knowing who you are and determining how to tell that story to residents and visitors alike can be critical to community growth, development, and redevelopment. The “Celebration of Community” tagline and branding encourages citizens to celebrate its history and past, while embracing and celebrating the present and future. The first phase of new wayfinding signage was completed in the summer of 2019 that incorporates the “Celebration of Community” brand.

Quality of Life

The appearance of a community is where its story begins – what we see is our first impression and that contributes significantly to the quality of life of residents. Therefore, creating a high quality of life includes ensuring that existing codes to address issues such as blighted properties or litter are enforced equally and that other tools necessary to enhance quality of life are developed and implemented. Quality of life is also significantly enhanced if residents feel safe and secure in their homes, their neighborhoods, and within the larger community. Conyers code enforcement, working in cooperation with the Conyers Police Department, is aiding in enhancing quality of life for residents.

Olde Town

As one of the most attractive and well-known areas of Conyers, Olde Town has an identity that is worth protecting and growing. Olde Town Conyers is seeing a resurgence with the opening of new restaurants and businesses, the addition of overhead string lighting over Center and Commercial streets to create a welcoming ambiance, and popular signature events to attract residents and visitors to the downtown district.

Transportation and Infrastructure

Communities must constantly consider how to move people through and within their community and Conyers is no different. Whether by road, sidewalk, or trail; how it might connect to adjacent jurisdictions and what features and or amenities are necessary and needed along any given route all must be considered. These are not overnight projects, and great thought and planning must go into their complete execution. The City continues to identify various trail projects, traffic flow improvements, and infrastructure upgrades that will be implemented.

Recreation

Recreational opportunities in Conyers are certainly one of its greatest assets. The Olympic legacy of the Georgia International Horse Park (GIHP) and the amenities that have been added – such as the nature center and extensive trails – are certainly tourist attractions. However,

it is important to maintain and update facilities as needed so that economic opportunities can be realized. Increasing awareness of the recreational opportunities offered at the GIHP can help develop and ensure the economic vitality of this outstanding resource. Other recreational assets of the community, such as Cherokee Run Golf Club, should also be enhanced to increase the opportunity for diversified economic activity.

Internal Operations

The tasks that are undertaken to ensure the smooth operation of the government itself take place behind the scenes and are often unknown and underappreciated. They are, however, no less important than other efforts. The City plans to create disaster recovery plans; develop and test mobile workforce model; and integrate new technologies.

Relevant Financial Policies

Throughout the years, the Finance Department administers the financial policies outlined by the council. These policies address fund balances, the use of onetime revenues, issuance of debt, purchasing and procurement, capital expenditures, cash and investment management, and accounting practices. In totality, these policies formulate the core criteria for which internal evaluations occur. Each year at the council retreat, the Chief Financial Officer is responsible for the reporting and addressing of the financial management of these policies.

Major Initiatives

Like most successful corporations and businesses, a municipality must have a strong, realistic budget and a budgeting process in place that lends itself to sound fiscal practices. The following are some of the projects that the mayor and council recognized as priorities for fiscal year 2020:

- Public Works and Transportation personnel continue to utilize SPLOST dollars and work closely with contractors on significant transportation improvement projects in the city limits. SPLOST funds are vital in funding projects, most notably in supplementing funding of a \$1.8 million resurfacing project on 5.75 miles of city streets. The department continues to successfully utilize funding from state agencies like the Georgia Department of Transportation's LMIG grant and apply funding to transportation projects.
- The Conyers Police Department continues to meet and exceed standards prescribed by the Commission on Accreditation for Law Enforcement Agencies (CALEA). In 2019, the CPD achieved CALEA reaccreditation with excellence. The department continues to see year-to-year decreases in crime and is working proactively to interact with the community through initiatives including neighborhood watch meetings, community clean-ups, bike rodeos, and more.
- Construction on the new Conyers City Hall at 901 O'Kelly Street continues, despite early delays due to excessive rainfall. The 38,000 square foot facility will house the City's Administration and Finance, City Manager's Office, Human Resources, Planning and Inspections, Technology, and Public Relations and Tourism departments, along with council chambers and public meeting space. The building is expected to open in late 2020.
- Olde Town Conyers, the community's first retail and commercial district, is becoming quite a showpiece thanks to the return of fireworks in the city's Red, White and Boom celebration, as well as the popular and well-received Entertainment District. Other

quality of life features in the form of art like the Beautiful Box Project, new restaurants and events all contribute to a thriving downtown district.

Awards and Acknowledgments

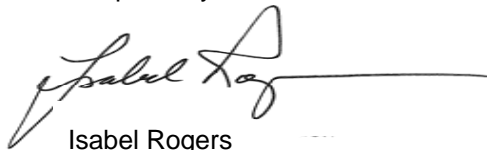
Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Conyers for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Conyers has received a Certificate of Achievement for the last twenty-seven (27) consecutive years (fiscal years ended 1993-2019). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

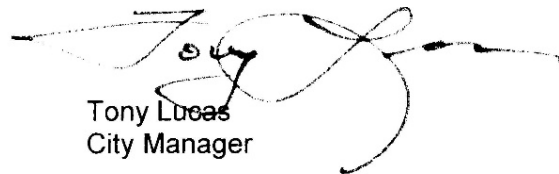
The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Conyers for its annual budget for the fiscal year ended June 30, 2020. The City of Conyers has received the Distinguished Budget award for the last twenty-nine (29) consecutive years (fiscal years ended 1992-2020). In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device. The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we have submitted it to GFOA to determine its eligibility for another award.

Acknowledgements: The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Department of Administration. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We would also like to thank the Mayor and City Council for the support they have given us in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Isabel Rogers
Chief Financial Officer



Tony Lucas
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Conyers
Georgia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO



City of Conyers, Georgia
List of Elected and Appointed Officials
June 30, 2020

Elected Officials

Mayor
Council Member: District 1
Council Member: District 2 Post 1
Council Member: District 2 Post 2
Council Member: District 3
Council Member: District 4

Vince Evans
Cleveland Stroud
Vacant
Connie Alsobrook
Gerald Hinesley Sr.
Valyncia Smith

Appointed Officials

City Manager
Chief Financial Officer
Chief Operating Officer
Chief of Police
Director of Planning & Inspections
Director of Georgia International Horse Park
Director of Public Relations & Tourism
Director of Public Works & Transportation
Director of Human Resources
Director of Technology
Director of Golf/General Manager
Deputy Director of Finance
Deputy Director of Planning & Inspections
Deputy Director of Public Works & Transportation
Deputy Chief of Police
City Clerk
City Attorney
CPA

Tony Lucas
Isabel Rogers
David Spann
Gene Wilson
Marvin Flanigan
Jennifer Bexley
Jennifer Edwards
Brad Sutton
Casey Duren
Kameron Kelley
Tommy Moon
Yvonne Glumb
Scott Gaither
Brian Frix
Scott Freeman
Christina Heyman
Mike Waldrop
Twan Leonard

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Members
of the City Council
Conyers, Georgia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Conyers, 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 discretely presented component unit, 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 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 14), the budgetary comparison information, infrastructure information, OPEB information, and pension information, (on pages 68 through 76) 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, discretely presented component unit financial statements, capital assets used in the operation of governmental funds – comparative schedules by source, capital assets used in the operation of governmental funds – schedule by function and activity, capital assets used in the operation of governmental funds – schedule of changes by function and activity, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules 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 not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

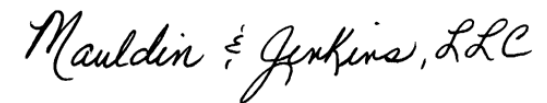
The combining and individual nonmajor fund financial statements and schedules, schedules of expenditures of special purpose local option sales tax proceeds, schedule of expenditures of federal awards, discretely presented component unit financial statements, capital assets used in the operation of governmental funds – comparative schedules by source, capital assets used in the operation of governmental funds – schedule by function and activity, and capital assets used in the operation of governmental funds – schedule of changes by function and activity 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, schedules of special purpose local option sales tax proceeds, schedule of expenditures of federal awards, discretely presented component unit financial statements, capital assets used in the operation of governmental funds – comparative schedules by source, capital assets used in the operation of governmental funds – schedule by function and activity, and capital assets used in the operation of governmental funds – schedule of changes by function and activity are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and the 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.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended June 30, 2019, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated December 4, 2019. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The partial comparative information included in the capital assets used in the operation of governmental funds – comparative schedules by source for the year ended June 30, 2019, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2019 partial comparative information included in the capital assets used in the operation of governmental funds – comparative schedules by source is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.



Macon, Georgia
November 18, 2020

Management's Discussion and Analysis

As management of the City of Conyers, we offer readers of the City of Conyers' financial statements this narrative overview and analysis of the financial activities of the City of Conyers for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

Financial Highlights

- The assets of the City of Conyers exceeded its liabilities at the close of the most recent fiscal year by \$32,840,782 (net position).
- The City's total net position increased by \$5,346,243.
- As of the close of the current fiscal year, the City of Conyers' governmental funds reported combined ending fund balances of \$14,456,795 a decrease in fund balance of \$8,568,480 in comparison with the prior year. The decrease is primarily due to the bond proceeds being used for the construction of the City's municipal complex.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Conyers' basic financial statements. The City of Conyers' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents financial information on all of the City of Conyers' assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Conyers 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 flow in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Conyers 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 of Conyers include general government, public safety and communications, public works, and culture and recreation. The business-type activities of the City of Conyers include sanitation, stormwater, landfill, and golf operations. The government-wide financial statements can be found beginning on page 16 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 of Conyers, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Conyers can be divided into two categories: governmental funds and proprietary 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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Conyers maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, and SPLOST capital project fund which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor

governmental funds is provided in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found beginning on page 18 of this report.

Proprietary funds. The City of Conyers maintains only one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Conyers uses enterprise funds to account for its Sanitation, Stormwater, Landfill, and Golf operations.

Proprietary funds 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 sanitation, stormwater, landfill, and golf operations, all of which are considered to be major funds of the City of Conyers. The basic proprietary fund financial statements can be found beginning on page 24 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 can be found beginning on page 29 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The City of Conyers adopts an annual appropriated budget for its governmental funds except the capital projects funds. The capital project fund budget is adopted on the project length basis. A budgetary comparison schedule has been provided for the governmental funds to demonstrate compliance with this budget. Information about the City's infrastructure assets reported using the modified approach is also presented. The City also presents information concerning the City of Conyers' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 68 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information about the City's infrastructure assets reported using the modified approach. Combining and individual fund statements and schedules can be found beginning on page 78 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. In the case of the City of Conyers, assets exceeded liabilities and deferred inflows of resources by \$32,840,782 at the close of the most recent fiscal year.

By far the largest portion of the City of Conyers' net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Conyers uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Conyers' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Conyers' Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 18,896,325	\$ 25,994,067	\$ 403,120	\$ 375,567	\$ 19,299,445	\$ 26,369,634
Capital assets	54,413,634	41,363,925	4,487,032	4,619,558	58,900,666	45,983,483
Total assets	<u>73,309,959</u>	<u>67,357,992</u>	<u>4,890,152</u>	<u>4,995,125</u>	<u>78,200,111</u>	<u>72,353,117</u>
Deferred Outflows of Resources	<u>7,987,884</u>	<u>1,701,857</u>	<u>261,321</u>	<u>129,008</u>	<u>8,249,205</u>	<u>1,830,865</u>
Long-term liabilities outstanding	45,429,297	39,251,670	979,769	1,016,754	46,409,066	40,268,424
Other liabilities	3,151,579	1,995,252	690,795	726,244	3,842,374	2,721,496
Total liabilities	<u>48,580,876</u>	<u>41,246,922</u>	<u>1,670,564</u>	<u>1,742,998</u>	<u>50,251,440</u>	<u>42,989,920</u>
Deferred Inflows of Resources	<u>3,350,113</u>	<u>3,624,704</u>	<u>6,981</u>	<u>74,819</u>	<u>3,357,094</u>	<u>3,699,523</u>
Net position:						
Net investment in capital assets	45,329,032	40,093,437	4,487,032	4,459,558	49,816,064	44,552,995
Restricted	9,380,985	18,457,176	-	-	9,380,985	18,457,176
Unrestricted	<u>(25,343,163)</u>	<u>(34,362,390)</u>	<u>(1,013,104)</u>	<u>(1,153,242)</u>	<u>(26,356,267)</u>	<u>(35,515,632)</u>
Total net position	<u>\$ 29,366,854</u>	<u>\$ 24,188,223</u>	<u>\$ 3,473,928</u>	<u>\$ 3,306,316</u>	<u>\$ 32,840,782</u>	<u>\$ 27,494,539</u>

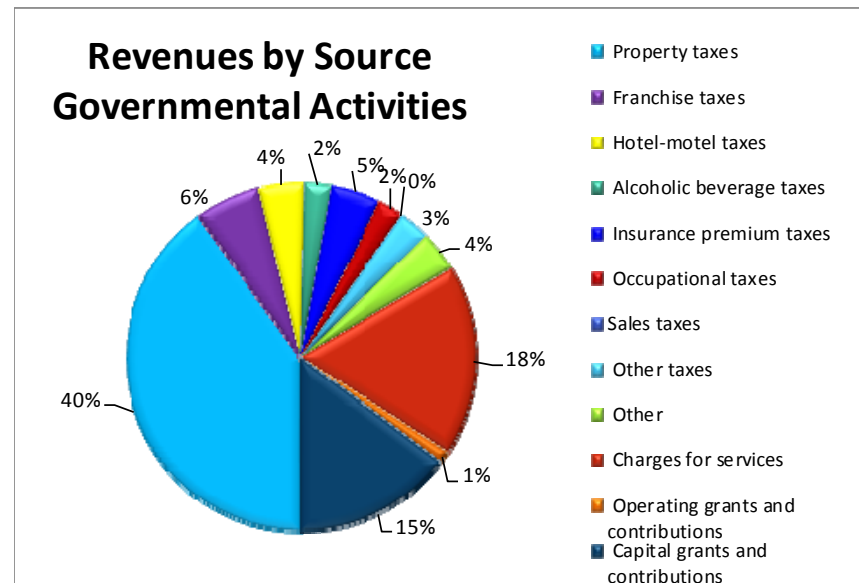
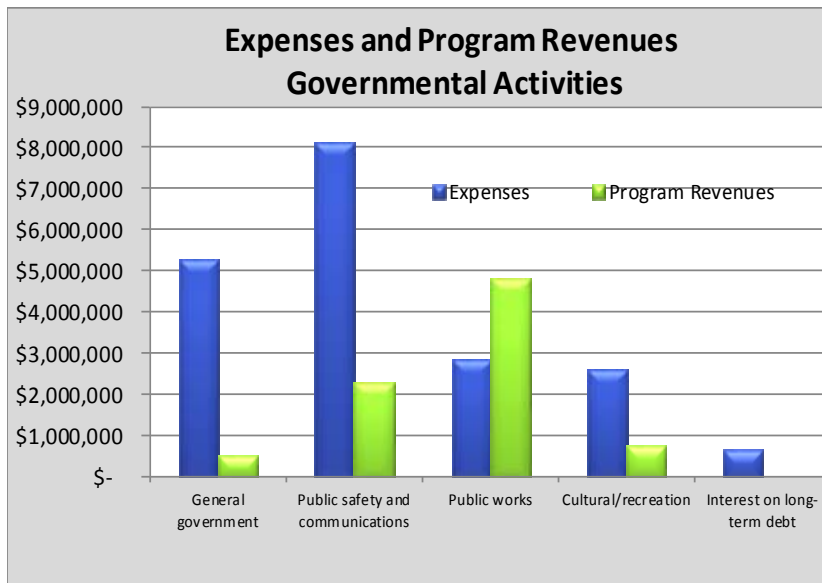
The net position of the City's governmental activities increased by 21.4% (\$29,366,854 compared to \$24,188,223). Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from (\$34,362,390) at June 30, 2019 to (\$25,343,163) at the end of this year. The net position of our business-type activities increased by \$167,612 compared to an increase of \$212,992 in the prior year.

City of Conyers' Changes in Net Position

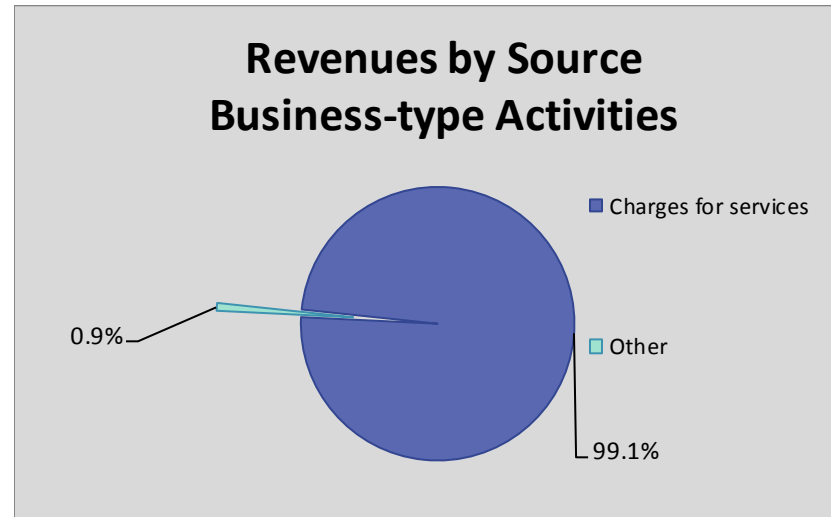
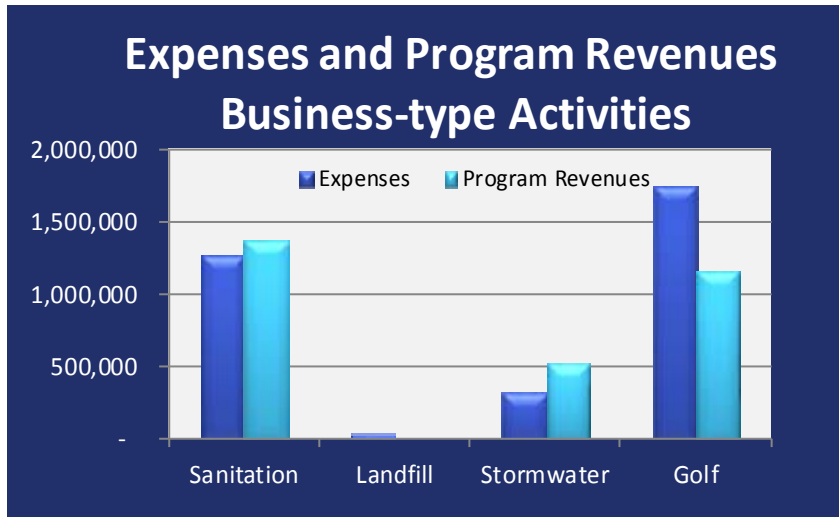
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program revenues						
Charges for services	\$ 4,462,434	\$ 4,154,524	\$ 3,032,570	\$ 3,197,883	\$ 7,495,004	\$ 7,352,407
Operating grants and contributions	284,743	292,384	-	-	284,743	292,384
Capital grants and contributions	3,728,351	5,670,203	-	-	3,728,351	5,670,203
General revenues:						
Property taxes	10,126,572	9,379,770	-	-	10,126,572	9,379,770
Franchise taxes	1,534,359	1,496,550	-	-	1,534,359	1,496,550
Hotel-motel taxes	1,074,890	1,281,824	-	-	1,074,890	1,281,824
Alcoholic beverage taxes	625,864	626,215	-	-	625,864	626,215
Insurance premium taxes	1,160,370	1,089,029	-	-	1,160,370	1,089,029
Occupational taxes	596,820	622,136	-	-	596,820	622,136
Other taxes	776,722	586,928	-	-	776,722	586,928
Other	<u>926,636</u>	<u>1,101,854</u>	<u>27,684</u>	<u>27,876</u>	<u>954,320</u>	<u>1,129,730</u>
Total revenues	25,297,761	26,301,417	3,060,254	3,225,759	28,358,015	29,527,176
Expenses						
General government	5,288,058	4,099,656	-	-	5,288,058	4,099,656
Public safety and communications	8,165,317	8,722,995	-	-	8,165,317	8,722,995
Public works	2,886,864	3,406,129	-	-	2,886,864	3,406,129
Cultural/recreation	2,635,264	2,992,591	-	-	2,635,264	2,992,591
Interest on long-term debt	656,947	901,111	-	-	656,947	901,111
Sanitation	-	-	1,259,711	1,274,042	1,259,711	1,274,042
Landfill	-	-	39,479	39,742	39,479	39,742
Stormwater	-	-	323,211	630,246	323,211	630,246
Golf	-	-	<u>1,756,921</u>	<u>1,654,309</u>	<u>1,756,921</u>	<u>1,654,309</u>
Total expenses	<u>19,632,450</u>	<u>20,122,482</u>	<u>3,379,322</u>	<u>3,598,339</u>	<u>23,011,772</u>	<u>23,720,821</u>
Change in net position before transfers	5,665,311	6,178,935	(319,068)	(372,580)	5,346,243	5,806,355
Transfers	<u>(486,680)</u>	<u>(585,572)</u>	<u>486,680</u>	<u>585,572</u>	<u>-</u>	<u>-</u>
Change in net position	5,178,631	5,593,363	167,612	212,992	5,346,243	5,806,355
Net position beginning of the year	<u>24,188,223</u>	<u>18,594,860</u>	<u>3,306,316</u>	<u>3,093,324</u>	<u>27,494,539</u>	<u>21,688,184</u>
Net position ending of the year	<u>\$ 29,366,854</u>	<u>\$ 24,188,223</u>	<u>\$ 3,473,928</u>	<u>\$ 3,306,316</u>	<u>\$ 32,840,782</u>	<u>\$ 27,494,539</u>

The City's total revenues decreased by 3.9% (\$1,169,161). The primary factor for the decrease in revenues is related to the decrease in the City's SPLOST proceeds. In March 2020, the COVID-19 pandemic caused the temporary shutdown of various businesses in the City which caused the local sales to decrease due to reduced spending by citizens. The total cost of all programs and services decreased by 2.9% (\$709,049). The primary factor for the decrease in programs and services is related to the decrease in capital and stormwater projects.

Governmental activities. Governmental activities increased the City of Conyers' net position by \$5,178,631.



Business-type activities – Revenues for the City’s business-type activities decreased by \$165,505 (\$3,060,254 in 2020 compared to (\$3,225,759 in 2019) and expenses decreased by \$219,017 (\$3,379,322 in 2020 compared to \$3,598,339 in 2019). The decrease is mainly due to decreased stormwater project expenses.



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Conyers' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Conyers' financing requirements. In particular, *unrestricted and 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.

As of the end of the current fiscal year, the City of Conyers' governmental funds reported combined ending fund balances of \$14,456,795 a decrease in the fund balance of \$8,568,480 in comparison with the prior year. Of this amount, \$695,871 is unassigned fund balance. The remainder of fund balance is not available for new spending because it has already been restricted or assigned, or is nonspendable. The decrease in fund balance is mainly due to the use of the 2018 bond proceeds for capital project construction of the new City Hall complex.

The general fund is the chief operating fund of the City of Conyers. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,276,081 while total fund balance reached \$5,075,810. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 29.2% of total general fund expenditures.

The fund balance of the City of Conyers' general fund increased by \$507,711 during the current fiscal year. The key factor in this increase is mainly due to the increase in property tax revenues and business licenses and permits.

The capital project fund accounts for acquisition and construction of the City's municipal complex. At fiscal year end, the fund balance was \$4,048,542. The entire balance is restricted for the completion of the City's municipal and public safety facilities.

The SPLOST capital projects fund accounts for capital projects financed by a one percent sales and use tax. At fiscal year end, the fund balance was \$3,243,342, an increase of \$494,240. The main factor for the increase was capital lease proceeds received for public safety software. The entire balance is restricted to the completion of capital projects as established by the SPLOST committee and the mayor and council prior to approval of the 1% sales tax.

The emergency telephone system fund has a total fund balance of \$58,906. The net decrease in fund balance during the current year in the emergency telephone system fund was \$3,333.

The forfeited assets fund has a total fund balance of \$256,091. The net decrease in fund balance during the current year in the forfeited assets fund was \$272,764. The entire balance is restricted for public safety.

The hotel/motel fund has a total fund balance of \$1,494,196 which is restricted to promote tourism by developing the Big Haynes Creek Nature Center. The net increase in the fund balance during the current year in the hotel/motel fund was \$145. Of the 8% that the City collects from hotel/motel tax, 1 1/3% is dedicated to the development of a Nature Center.

The debt service fund has a total fund balance of \$279,908. The entire balance is restricted for the principal and interest on 2018 general obligation bonds.

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

Unrestricted net position of the sanitation fund at the end of the year amounted to (\$326,366), the landfill operations amounted to (\$52,048), the stormwater amounted to (\$327,900), and the golf amounted to (\$306,790). The total increase (decrease) in net position for all four funds was \$68,246, \$39,837, \$263,344 and (\$203,815) respectively. Other factors concerning the finances of these four funds have already been addressed in the discussion of the City of Conyers' business-type activities.

General Fund Budgetary Highlights

Budget to actual variances within the General Fund occur due to unforeseen revenues or expenditures. The significant variances in 2020 include:

- Administration expenses increased due to expenses related to COVID-19 personal protection equipment and related expenses.
- Public safety expenses increased due to higher worker's compensation claims and police equipment purchases.
- Planning and city services and GIHP administration expenses increased due to worker's compensation and liability insurance.

Capital Assets and Debt Administration

Capital assets. The City of Conyers' investment in capital assets for its governmental and business type activities as of June 30, 2020, amounts to \$58,900,666 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure acquired after July 1, 2003. The total change in the City of Conyers' investment in capital assets for the current fiscal year was a \$13,049,709 increase for governmental activities and a \$132,526 decrease for business-type activities.

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

- Administration incurred nearly \$9.3 million in cost for construction in progress for the City’s municipal complex.
- Public Works and Transportation incurred nearly \$1.2 million in cost for construction in progress for the Hardin O’Kelley Street project.
- Public safety incurred nearly \$1.1 million in cost for construction in progress for public safety software.

City of Conyers’ Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 12,812,443	\$ 12,604,967	\$ 1,915,577	\$ 1,915,577	\$ 14,728,020	\$ 14,520,544
Construction in progress	16,584,586	4,888,251	-	15,217	16,584,586	4,903,468
Buildings	3,519,865	3,738,755	893,005	979,755	4,412,870	4,718,510
Improvements other than buildings	13,342,845	13,796,978	-	-	13,342,845	13,796,978
Infrastructure	2,280,924	250,000	-	-	2,280,924	250,000
Equipment	5,872,971	6,084,974	130,532	98,849	6,003,503	6,183,823
Stormwater control	-	-	1,547,918	1,610,160	1,547,918	1,610,160.00
	<u>\$ 54,413,634</u>	<u>\$ 41,363,925</u>	<u>\$ 4,487,032</u>	<u>\$ 4,619,558</u>	<u>\$ 58,900,666</u>	<u>\$ 45,983,483</u>

As allowed by GASB Statement No. 34, the City has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the City expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include the City’s network of roads, signs, lighting, culverts, fencing, etc. The City is responsible for maintaining 144 lane miles of roads.

The City’s goal is to have no more than 15% of roads in “poor” or “very poor” condition. The most recent condition assessment, completed in March 2016, indicated that 6% of roads were considered poor or very poor.

In the City’s fiscal year 2020 capital outlay budget, estimated spending was \$1,000,000 for maintenance projects. More detailed information about the City’s capital assets is presented in Notes A.8 and E to the financial statements.

Long-term debt

City of Conyers' Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
GMA COP capital leases	3,555,000	3,555,000	-	-	3,555,000	3,555,000
2018 General obligation bonds	12,510,000	13,000,000	-	-	12,510,000	13,000,000
Bond premium	691,523	757,340	-	-	691,523	757,340
OPEB	19,809,825	15,997,605	-	-	19,809,825	15,997,605
Net pension liability	7,131,959	4,583,533	620,170	398,568	7,752,129	4,982,101
Compensated absences	859,919	764,492	59,599	58,186	919,518	822,678
Capital leases	871,071	593,700	-	-	871,071	593,700
Stormwater revenue bonds	-	-	-	160,000	-	160,000
Landfill postclosure care liability	-	-	300,000	400,000	300,000	400,000
	<u>\$ 45,429,297</u>	<u>\$ 39,251,670</u>	<u>\$ 979,769</u>	<u>\$ 1,016,754</u>	<u>\$ 46,409,066</u>	<u>\$ 40,268,424</u>

The City of Conyers' total long-term debt increased by \$6,140,642 during the current fiscal year. The increase is mainly due to OPEB and net pension liability.

Additional information on the City of Conyers' long-term debt can be found in note F to the financial statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Conyers is currently 9.2%, versus 3.8% a year ago. This compares to the state's average unemployment rate of 6.4% percent and the national average rate of 7.9%.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Conyers' budget for the 2021 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Conyers' finances for all those with an interest in the City'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 Conyers Administration Office, 1184 Scott Street, Conyers, Georgia 30012.

BASIC FINANCIAL STATEMENTS

City of Conyers, Georgia
STATEMENT OF NET POSITION

June 30, 2020

	Primary Government			Component Unit
	The Conyers Downtown Development Authority			
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 12,982,737	\$ 74,896	\$ 13,057,633	\$ 29,945
Investments	2,222,717	-	2,222,717	-
Receivables (net)	1,878,605	296,529	2,175,134	-
Inventory	-	71,492	71,492	-
Prepaid items	167,039	52,359	219,398	357
Internal balances	92,156	(92,156)	-	-
Assets held for resale	418,046	-	418,046	328,673
Fair value of interest rate swap	1,135,025	-	1,135,025	-
Capital assets not being depreciated	31,677,953	1,915,577	33,593,530	-
Capital assets, net of accumulated depreciation	22,735,681	2,571,455	25,307,136	-
Total assets	<u>73,309,959</u>	<u>4,890,152</u>	<u>78,200,111</u>	<u>358,975</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	3,005,196	261,321	3,266,517	-
OPEB	4,982,688	-	4,982,688	-
Total deferred outflows of resources	<u>7,987,884</u>	<u>261,321</u>	<u>8,249,205</u>	<u>-</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,651,659	\$ 164,045	\$ 2,815,704	\$ -
Accrued salaries	421,979	20,115	442,094	-
Unearned revenue	77,941	506,635	584,576	7,752
Long-term liabilities				
Due within one year	925,765	114,900	1,040,665	6,208
Due in more than one year	44,503,532	864,869	45,368,401	387,202
Total liabilities	<u>48,580,876</u>	<u>1,670,564</u>	<u>50,251,440</u>	<u>401,162</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred change in fair value of hedging derivative instruments	1,135,025	-	1,135,025	-
Pension	80,274	6,981	87,255	-
OPEB	2,134,814	-	2,134,814	-
Total deferred inflows of resources	<u>3,350,113</u>	<u>6,981</u>	<u>3,357,094</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	45,329,032	4,487,032	49,816,064	-
Restricted for:				
Capital projects	7,291,884	-	7,291,884	-
Cultural/recreation	1,494,196	-	1,494,196	-
Debt service	279,908	-	279,908	-
Public safety	314,997	-	314,997	-
Unrestricted (deficit)	(25,343,163)	(1,013,104)	(26,356,267)	(42,187)
Total net position	<u>\$ 29,366,854</u>	<u>\$ 3,473,928</u>	<u>\$ 32,840,782</u>	<u>\$ (42,187)</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

STATEMENT OF ACTIVITIES

For the year ended June 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit The Conyers DDA
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 5,288,058	\$ 545,840	\$ 15,417	\$ -	\$ (4,726,801)	-	\$ (4,726,801)	
Public safety and communications	8,165,317	2,065,130	251,294	-	(5,848,893)	-	(5,848,893)	
Public works	2,886,864	1,086,401	-	3,728,351	1,927,888	-	1,927,888	
Cultural/recreation	2,635,264	765,063	18,032	-	(1,852,169)	-	(1,852,169)	
Interest on long-term debt	656,947	-	-	-	(656,947)	-	(656,947)	
Total governmental activities	<u>19,632,450</u>	<u>4,462,434</u>	<u>284,743</u>	<u>3,728,351</u>	<u>(11,156,922)</u>	<u>\$ -</u>	<u>(11,156,922)</u>	
Business-type activities:								
Sanitation	1,259,711	1,357,957	-	-	-	\$ 98,246	\$ 98,246	
Landfill	39,479	-	-	-	-	(39,479)	(39,479)	
Stormwater	323,211	521,555	-	-	-	198,344	198,344	
Golf	1,756,921	1,153,058	-	-	-	(603,863)	(603,863)	
Total business-type activities	<u>3,379,322</u>	<u>3,032,570</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(346,752)</u>	<u>(346,752)</u>	
Total primary government	<u>\$ 23,011,772</u>	<u>\$ 7,495,004</u>	<u>\$ 284,743</u>	<u>\$ 3,728,351</u>	<u>(11,156,922)</u>	<u>(346,752)</u>	<u>(11,503,674)</u>	
Component unit:								
The Conyers DDA	\$ 28,493	\$ 28,366	\$ -	\$ -				(127)
Total component unit	<u>\$ 28,493</u>	<u>\$ 28,366</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(127)</u>
General revenues:								
Taxes:								
Property taxes					10,126,572	-	10,126,572	-
Franchise taxes					1,534,359	-	1,534,359	-
Hotel-motel taxes					1,074,890	-	1,074,890	-
Alcoholic beverage taxes					625,864	-	625,864	-
Insurance premium taxes					1,160,370	-	1,160,370	-
Occupational taxes					596,820	-	596,820	-
Other taxes					776,722	-	776,722	-
Interest and investment earnings					446,745	48	446,793	-
Miscellaneous					479,891	27,636	507,527	-
Transfers					(486,680)	486,680	-	-
Total general revenues and transfers					<u>16,335,553</u>	<u>514,364</u>	<u>16,849,917</u>	<u>-</u>
Change in net position					5,178,631	167,612	5,346,243	(127)
Net position beginning of the year					24,188,223	3,306,316	27,494,539	(42,060)
Net position ending of the year					<u>\$ 29,366,854</u>	<u>\$ 3,473,928</u>	<u>\$ 32,840,782</u>	<u>\$ (42,187)</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2020

	<u>General</u>	<u>Capital Project</u>	<u>SPLOST Capital Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 2,594,200	\$ 5,628,752	\$ 2,807,336	\$ 1,952,449	\$ 12,982,737
Investments	2,222,717	-	-	-	2,222,717
Receivables - net of allowances for uncollectible accounts					
Accounts	94,791	-	-	68,073	162,864
Taxes	380,291	-	-	108,882	489,173
Police fines	122,573	-	-	-	122,573
Intergovernmental	54,700	-	1,049,295	-	1,103,995
Prepaid items	158,966	-	-	8,073	167,039
Due from other funds	223,185	-	-	5,726	228,911
Assets held for resale	418,046	-	-	-	418,046
	<u>6,269,469</u>	<u>5,628,752</u>	<u>3,856,631</u>	<u>2,143,203</u>	<u>17,898,055</u>
Total assets	<u>\$ 6,269,469</u>	<u>\$ 5,628,752</u>	<u>\$ 3,856,631</u>	<u>\$ 2,143,203</u>	<u>\$ 17,898,055</u>

Continued

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

BALANCE SHEET - GOVERNMENTAL FUNDS - CONTINUED

June 30, 2020

	General	Capital Project	SPLOST Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 507,572	\$ 1,580,210	\$ 422,322	\$ 18,471	\$ 2,528,575
Accrued salaries	393,967	-	-	28,012	421,979
Unearned revenue	77,941	-	-	-	77,941
Due to other funds	-	-	129,136	7,619	136,755
Total liabilities	<u>979,480</u>	<u>1,580,210</u>	<u>551,458</u>	<u>54,102</u>	<u>3,165,250</u>
Deferred inflows of resources:					
Unavailable revenue-property taxes	214,179	-	-	-	214,179
Unavailable revenue-intergovernmental	-	-	61,831	-	61,831
Total deferred inflows of resources	<u>214,179</u>	<u>-</u>	<u>61,831</u>	<u>-</u>	<u>276,010</u>
Fund balances:					
Nonspendable	577,012	-	-	8,073	585,085
Restricted	2,222,717	4,048,542	3,243,342	2,081,028	11,595,629
Unassigned	2,276,081	-	-	-	2,276,081
Total fund balances	<u>5,075,810</u>	<u>4,048,542</u>	<u>3,243,342</u>	<u>2,089,101</u>	<u>14,456,795</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,269,469</u>	<u>\$ 5,628,752</u>	<u>\$ 3,856,631</u>	<u>\$ 2,143,203</u>	<u>\$ 17,898,055</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

**RECONCILIATION OF THE FUND BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION**

For the year ended June 30, 2020

Total governmental fund balance per Fund Balance Sheet	\$	14,456,795
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		54,413,634
Property taxes and intergovernmental revenue not received within 60 days of year end are not available to pay for current period expenditures and therefore are unavailable in the funds.		276,010
The derivative-effective hedge is an other asset which is not available to pay for current period expenditures and it is not reported in the funds.		(1,135,025)
The net pension liability is not payable from current financial resources, and is not reported in the funds.		(7,131,959)
Deferred outflows of resources related to the recording of the net pension liability are recognized as expense over time and, therefore, are not reported in the funds.		3,005,196
Deferred outflows of resources related to the recording of the OPEB liability are recognized as expense over time and, therefore, are not reported in the funds.		4,982,688
Deferred inflows of resources related to the recording of the net pension liability are not due and payable in the current period and, therefore, are not reported in the funds.		(80,274)
Deferred inflows of resources related to the recording of the OPEB liability are not due and payable in the current period and, therefore, are not reported in the funds.		(2,134,814)
Net other post employment benefits obligations are not due and payable in the current period and therefore are not reported in the funds.		(19,809,825)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		<u>(17,475,572)</u>
Total net position end of year	\$	<u>29,366,854</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

For the year ended June 30, 2020

	<u>General</u>	<u>Capital Project</u>	<u>SPLOST Capital Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:					
Taxes	\$ 14,787,834	\$ -	\$ -	\$ 1,074,890	\$ 15,862,724
Licenses, permits and fees	1,082,028	-	-	-	1,082,028
Fines and forfeitures	1,398,893	-	-	101,237	1,500,130
Charges for services	663,817	-	-	405,718	1,069,535
GIHP revenue	765,063	-	-	-	765,063
Other revenue	737,612	176,235	22,237	12,668	948,752
Intergovernmental	266,711	-	3,706,114	2,000	3,974,825
Total revenues	<u>19,701,958</u>	<u>176,235</u>	<u>3,728,351</u>	<u>1,596,513</u>	<u>25,203,057</u>
Expenditures					
Current					
General government	5,280,596	-	-	-	5,280,596
Public safety	7,794,727	-	-	1,185,847	8,980,574
Public works	2,681,073	-	-	-	2,681,073
Cultural/Recreation	1,477,844	-	-	1,085,045	2,562,889
Capital Outlay	-	9,388,647	3,460,973	-	12,849,620
Debt service					
Principal	-	-	791,981	490,000	1,281,981
Interest	168,862	-	50,509	507,067	726,438
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>17,403,102</u>	<u>9,388,647</u>	<u>4,303,463</u>	<u>3,267,959</u>	<u>34,363,171</u>
Excess (deficiency) of revenues over (under) expenditures	2,298,856	(9,212,412)	(575,112)	(1,671,446)	(9,160,114)

Continued

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS - CONTINUED

For the year ended June 30, 2020

	<u>General</u>	<u>Capital Project</u>	<u>SPLOST Capital Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals Governmental Funds</u>
Other financing sources (uses)					
Sale of capital assets	8,962	-	-	-	8,962
Capital leases	-		1,069,352	-	1,069,352
Transfers in	14,186	-	-	1,313,427	1,327,613
Transfers out	<u>(1,814,293)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,814,293)</u>
Total other financing sources (uses)	<u>(1,791,145)</u>	<u>-</u>	<u>1,069,352</u>	<u>1,313,427</u>	<u>591,634</u>
Net change in fund balances	507,711	(9,212,412)	494,240	(358,019)	(8,568,480)
Fund balance, beginning of year	<u>4,568,099</u>	<u>13,260,954</u>	<u>2,749,102</u>	<u>2,447,120</u>	<u>23,025,275</u>
Fund balance, end of year	<u>\$ 5,075,810</u>	<u>\$ 4,048,542</u>	<u>\$ 3,243,342</u>	<u>\$ 2,089,101</u>	<u>\$ 14,456,795</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

For the year ended June 30, 2020

Net change in fund balances - total governmental funds	\$ (8,568,480)
Amounts reported for governmental activities in the Statement of Activities are different because (See Note B):	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	13,050,426
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations) is to decrease assets.	(717)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	98,378
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, government funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of net activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	278,446
Other post employment benefits obligations did not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	662,683
The net pension liability did not require the use of current financial resources and therefore is not reported as expenditures in governmental funds.	(246,678)
Long-term compensated absences & miscellaneous unearned revenue reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>(95,427)</u>
Change in net position	<u>\$ 5,178,631</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS

June 30, 2020

	Business-type Activities-Enterprise Funds				
	Sanitation	Landfill	Stormwater	Golf	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ -	\$ 31,464	\$ 5,480	\$ 37,952	\$ 74,896
Receivables - net of allowance for uncollectible accounts					
Accounts	50,698	-	14,567	-	65,265
Intergovernmental	-	59,800	-	-	59,800
Inventory	-	-	-	71,492	71,492
Prepaid items	41,667	-	6,250	4,442	52,359
Total current assets	<u>92,365</u>	<u>91,264</u>	<u>26,297</u>	<u>113,886</u>	<u>323,812</u>
Noncurrent assets					
Capital assets:					
Land	-	-	-	1,915,577	1,915,577
Buildings	-	-	-	1,735,006	1,735,006
Improvements	-	-	2,338,980	-	2,338,980
Equipment	494,696	-	262,920	585,490	1,343,106
Less accumulated depreciation	(494,696)	-	(967,637)	(1,383,304)	(2,845,637)
Capital assets, net	-	-	1,634,263	2,852,769	4,487,032
Intergovernmental receivable - long-term	-	171,464	-	-	171,464
Total long-term assets	<u>-</u>	<u>171,464</u>	<u>1,634,263</u>	<u>2,852,769</u>	<u>4,658,496</u>
Total assets	<u>92,365</u>	<u>262,728</u>	<u>1,660,560</u>	<u>2,966,655</u>	<u>4,982,308</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pensions	65,330	-	32,665	163,326	261,321
Total deferred outflows of resources	<u>65,330</u>	<u>-</u>	<u>32,665</u>	<u>163,326</u>	<u>261,321</u>

The accompanying notes are an integral part of this statement.

Continued

City of Conyers, Georgia

STATEMENT OF FUND NET POSITION
 PROPRIETARY FUNDS - CONTINUED

June 30, 2020

	Business-type Activities-Enterprise Funds				
	Sanitation	Landfill	Stormwater	Golf	Total
LIABILITIES					
Current liabilities					
Accounts payable	\$ 72,813	\$ 14,776	\$ 6,160	\$ 70,296	\$ 164,045
Due to other funds	20,418	-	31,848	39,890	92,156
Accrued salaries	3,653	-	4,103	12,359	20,115
Unearned revenue	219,146	-	263,853	23,636	506,635
Compensated absences - current	2,811	-	626	11,463	14,900
Current portion of landfill postclosure care liability	-	100,000	-	-	100,000
Total current liabilities	<u>318,841</u>	<u>114,776</u>	<u>306,590</u>	<u>157,644</u>	<u>897,851</u>
Long-term liabilities					
Net pension liability	155,043	-	77,521	387,606	620,170
Compensated absences-long term portion	8,432	-	1,878	34,389	44,699
Landfill postclosure care liability	-	200,000	-	-	200,000
Total long-term liabilities	<u>163,475</u>	<u>200,000</u>	<u>79,399</u>	<u>421,995</u>	<u>864,869</u>
Total liabilities	<u>482,316</u>	<u>314,776</u>	<u>385,989</u>	<u>579,639</u>	<u>1,762,720</u>
DEFERRED INFLOWS OF RESOURCES					
Pension	<u>1,745</u>	<u>-</u>	<u>873</u>	<u>4,363</u>	<u>6,981</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	-	-	1,634,263	2,852,769	4,487,032
Unrestricted	<u>(326,366)</u>	<u>(52,048)</u>	<u>(327,900)</u>	<u>(306,790)</u>	<u>(1,013,104)</u>
Total net position (deficit)	<u>(326,366)</u>	<u>(52,048)</u>	<u>1,306,363</u>	<u>2,545,979</u>	<u>3,473,928</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS

For the year ended June 30, 2020

	Business-type Activities-Enterprise Funds				
	Sanitation	Landfill	Stormwater	Golf	Total
Operating revenues:					
Charges for sales and services:					
Sanitation fees	\$ 1,357,957	\$ -	\$ -	\$ -	\$ 1,357,957
Golf fees	-	-	-	1,153,058	1,153,058
Stormwater fees	-	-	521,555	-	521,555
Total operating revenues	<u>1,357,957</u>	<u>-</u>	<u>521,555</u>	<u>1,153,058</u>	<u>3,032,570</u>
Operating expenses:					
Cost of sales and service	1,259,711	39,479	228,772	1,635,131	3,163,093
Depreciation	-	-	88,579	121,790	210,369
Total operating expenses	<u>1,259,711</u>	<u>39,479</u>	<u>317,351</u>	<u>1,756,921</u>	<u>3,373,462</u>
Operating income (loss)	<u>98,246</u>	<u>(39,479)</u>	<u>204,204</u>	<u>(603,863)</u>	<u>(340,892)</u>
Nonoperating income (expense):					
Interest expense	-	-	(5,860)	-	(5,860)
Investment earnings	-	-	-	48	48
Intergovernmental	-	27,636	-	-	27,636
Total nonoperating income (expense)	<u>-</u>	<u>27,636</u>	<u>(5,860)</u>	<u>48</u>	<u>21,824</u>
Income (loss) before transfers	98,246	(11,843)	198,344	(603,815)	(319,068)
Transfers in	-	65,866	65,000	400,000	530,866
Transfers out	<u>(30,000)</u>	<u>(14,186)</u>	<u>-</u>	<u>-</u>	<u>(44,186)</u>
Change in net position	68,246	39,837	263,344	(203,815)	167,612
Total net position (deficit) beginning of year	<u>(394,612)</u>	<u>(91,885)</u>	<u>1,043,019</u>	<u>2,749,794</u>	<u>3,306,316</u>
Total net position (deficit) end of year	<u>\$ (326,366)</u>	<u>\$ (52,048)</u>	<u>\$ 1,306,363</u>	<u>\$ 2,545,979</u>	<u>\$ 3,473,928</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

For the year ended June 30, 2020

	Business-type Activities-Enterprise Funds				
	Sanitation	Landfill	Stormwater	Golf	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 1,357,171	\$ -	\$ 524,499	\$ 1,152,248	\$ 3,033,918
Payments to suppliers	(1,094,553)	(135,865)	(89,777)	(875,106)	(2,195,301)
Payments to employees	(232,547)	-	(193,066)	(679,919)	(1,105,532)
Payments for interfund services provided	(71)	-	(71,338)	1,241	(70,168)
Net cash provided by (used in) operating activities	<u>30,000</u>	<u>(135,865)</u>	<u>170,318</u>	<u>(401,536)</u>	<u>(337,083)</u>
Cash flows from noncapital financing activities:					
Receipts from intergovernmental agreement	-	84,185	-	-	84,185
Transfers in	-	65,866	65,000	400,000	530,866
Transfers out	(30,000)	(14,186)	-	-	(44,186)
Net cash provided by (used in) noncapital financing activities	<u>(30,000)</u>	<u>135,865</u>	<u>65,000</u>	<u>400,000</u>	<u>570,865</u>
Cash flows from capital and related financing activities:					
Purchases of capital assets	-	-	(77,843)	-	(77,843)
Principal paid on bonds	-	-	(160,000)	-	(160,000)
Interest paid on capital debt	-	-	(5,860)	-	(5,860)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(243,703)</u>	<u>-</u>	<u>(243,703)</u>
Cash flows from investing activities:					
Interest on investments	-	-	-	48	48
Net cash provided by investing financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>48</u>	<u>48</u>
Net increase (decrease) in cash and cash equivalents	-	-	(8,385)	(1,488)	(9,873)
Cash and equivalents, at the beginning of year	<u>-</u>	<u>31,464</u>	<u>13,865</u>	<u>39,440</u>	<u>84,769</u>
Cash and equivalents, at the end of year	<u>\$ -</u>	<u>\$ 31,464</u>	<u>\$ 5,480</u>	<u>\$ 37,952</u>	<u>\$ 74,896</u>

The accompanying notes are an integral part of this statement.

Continued

City of Conyers, Georgia

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS - CONTINUED

For the year ended June 30, 2020

	Business-type Activities-Enterprise Funds				
	Sanitation	Landfill	Stormwater	Golf	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 98,246	\$ (39,479)	\$ 204,204	\$ (603,863)	\$ (340,892)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	88,579	121,790	210,369
(Increase) decrease in:					
Accounts receivable	(21,656)	-	(4,062)	-	(25,718)
Inventory	-	-	-	566	566
Prepaid items	-	-	-	1,345	1,345
Deferred outflow of resources-pension	(33,078)	-	(413)	(98,822)	(132,313)
Increase (decrease) in:					
Accounts payable	(70,840)	3,614	(16,965)	11,753	(72,438)
Deferred inflow of resources-pension	(16,960)	-	(17,832)	(33,046)	(67,838)
Net pension liability	55,401	-	(22,121)	188,322	221,602
Due to other funds	(71)	-	(71,338)	1,241	(70,168)
Accrued salaries	1,475	-	2,399	6,050	9,924
Unearned revenue	20,870	-	7,005	(810)	27,065
Compensated absences	(3,387)	-	862	3,938	1,413
Postclosure care liability	-	(100,000)	-	-	(100,000)
Net cash provided by (used in) operating activities	<u>\$ 30,000</u>	<u>\$ (135,865)</u>	<u>\$ 170,318</u>	<u>\$ (401,536)</u>	<u>\$ (337,083)</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Conyers, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units.

1. Reporting Entity

The City operates under a council/manager form of government and provides the following services to its citizens: public safety, street maintenance and construction, solid waste collection and disposal, parks and recreation, public improvements, security monitoring, environmental services, and general and administrative services.

As required by generally accepted accounting principles, these financial statements include the activities of the City and the following component units for which the City is considered to be financially accountable. The blended component unit, although a legally separate entity, is, in substance, part of the City's operations and is included as part of the primary government. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City.

Blended Component Unit

The Development Authority of Conyers, Georgia (the "Authority") was established to finance certain capital projects for the City. The Authority is governed by a seven member board appointed by the City's mayor and council. The Authority is included in these financial statements as a blended component unit since its only activity has been to act as a financing mechanism for the City. The proceeds from the sale of the Authority's bonds were received by the City's General Fund and were therefore accounted for in the General Fund. Separate financial statements are not prepared for the Authority. At June 30, 2020, the Authority had no assets, liabilities, or fund equity. In addition, during 2020, the Authority had no revenues or expenses. Further, the Authority does not participate in the City's pension plan or OPEB plan.

Discretely Presented Component Unit

The Conyers Downtown Development Authority (the "DDA") was established to be a catalyst for revitalization, promotion, development and redevelopment of Old Town Conyers. The DDA is governed by a six member board appointed by the City's mayor and council. The City, by virtue of its appointments and the presence of the mayor on the board, controls a majority of the DDA's governing body positions, and can impose its will on the DDA. Separate financial statements are not prepared for the DDA. In addition, the DDA does not participate in the City's pension plan or OPEB plan.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. 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 activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

3. 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 funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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. The City considers all revenues to be available if they are collected within 90 days (60 days for property tax) after year-end. Expenditures are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain compensated absences, are recorded only when payment is due.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

Property taxes, franchise taxes, alcoholic and hotel-motel taxes, licenses, police fines, confiscated assets, and interest 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. Other receipts and taxes become measurable and available when cash is received by the City, and are recognized as revenue at that time. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

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.

The *capital project fund* accounts for acquisition and construction of the City's municipal complex.

The *SPLOST capital projects fund* accounts for capital projects financed by a one percent sales and use tax.

The City reports the following major proprietary funds:

The *sanitation fund* accounts for the collection and disposal of solid waste.

The *landfill fund* accounts for postclosure care costs related to the solid waste landfill which was closed in 1993.

The *stormwater fund* accounts for the Department of Environmental Services' cost to implement the Stormwater Management Plan and the National Pollution Elimination System Phase II compliance program.

The *golf fund* accounts for all of the activities at the Cherokee Run Golf Course.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Measurement Focus, Basis of Accounting and Basis of Presentation -Continued

The City reports the following nonmajor special revenue funds:

The *emergency telephone fund* accounts for revenues received from users of the Emergency 911 System. Revenues received from the City are paid directly from wired or wireless telecommunication providers, with expenditures occurring to maintain and run the system within the City.

The *forfeited assets fund* (formerly known as confiscated assets fund) accounts for funds received from the enforcement of drug laws and shared revenues resulting from the confiscation of property from drug offenders' arrests.

The *hotel/motel fund* accounts for the occupancy tax collected by the City from area hotels and motels, and distributed based upon state statute. The City is currently collecting this tax at a rate of 8%.

Additionally, the City reports the following fund type:

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term debt obligations.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 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 nonoperating revenues and expenses.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. **Cash, Cash Equivalents and Investments**

The City's cash and cash equivalents includes cash on hand, amounts in demand deposits, and investments with original maturities of three months or less from the date of acquisition.

State of Georgia statutes authorize the City to invest in obligations of the U. S. Treasury or agencies, obligations of state and local governments, bankers' acceptances, repurchase agreements, local government investment pool sponsored by the State of Georgia and certificates of deposit in federally insured financial institutions.

Investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

5. **Receivables and Payables**

During the course of operations, transactions occur between individual funds for goods provided or services rendered. The receivables and payables which result from these transactions are classified as "due from other funds" or "due to other funds" on the balance sheet.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 120 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 20 percent of outstanding property taxes at June 30, 2020.

Property taxes are levied based on a calendar year (January 1 through December 31). The property tax assessment is formally levied on September 1, based on property values as of the previous January 1. Tax bills are mailed in September. The billings are considered due upon receipt and become past due 60 days after they are mailed, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance classification in the applicable governmental fund to indicate that they are not available for appropriation and are not expendable available financial resources.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Restricted Assets

Certain proceeds of the certificates of participation issued by the City, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable covenants and agreements.

7. Inventories and Prepaid Items

The City utilizes the consumption method to report inventory and prepaid items. Under this method, items are expensed when consumed. At year end, the City had no significant unused inventory. 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.

8. Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB 34, infrastructure assets acquired prior to July 1, 2003 are not reported in these financial statements since the City is a Phase III government (government with revenues less than \$10 million for the fiscal year ended June 30, 1999). Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized for the fiscal year ended June 30, 2020.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Capital Assets-Continued

The City has elected to use the modified approach for accounting for its roads. Under this approach, the City has made the commitment to preserve and maintain these assets at levels established by the Department of Public Works and Transportation. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets unless the improvements also increase their service potential. The City maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. In addition, the City makes annual estimates of the amounts that must be expended to preserve and maintain these assets at the predetermined condition levels. Refer to the Required Supplementary Information for additional information on infrastructure using the modified approach.

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	35
Improvements other than buildings	20
Infrastructure improvements (depreciable)	30
Furniture	20
Vehicles – trucks, vans, trailers	10
Vehicles – cars	5
Computer software	7
Computer hardware & office equipment	5

9. Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City, except when an employee retires from the City. The retiring employee is eligible to be paid for a maximum of 720 hours. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. 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 effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an outflow of resources in the reporting period in which they occurred.

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 is reported as other financing sources. 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.

11. 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 differences between the current assets and current liabilities. Governmental funds will now 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 City Council through the adoption of a resolution. The City Council also may modify or rescind the commitment.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. **Fund Equity-Continued**

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 City Council has authorized the City's Chief Financial Officer to assign fund balances.

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

Flow Assumptions- When both restricted and unrestricted amounts 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; then unassigned.

Net Position- Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. The 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 assets are reported as unrestricted.

The City's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

12. **Pension Plans**

The City provides a defined benefit pension plan to all eligible employees. It is the City's policy to fund this plan's normal cost annually, as determined by actuarial valuation. The City also provides a 457(b) deferred compensation plan and an employer matching defined contribution plan 401(a) to all eligible employees.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Deferred Outflows/Inflows of Resources

GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities* established accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in the statement of net position.

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 made contributions to the pension plan before year end but subsequent to the measurement date of the City's net pension liability which are reported as deferred outflows of resources.

In addition to liabilities, the statement of revenues, expenditures and changes in fund balance 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category. The item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Another element relates to the offset of the fair market value of the City's derivative. As the derivative qualifies as an effective hedge, the change in fair market value occurs each year the asset and deferred inflow are adjusted.

Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains/losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains and losses are recorded as deferred outflows and inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows and inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period.

Certain changes in the OPEB liability are recognized as OPEB expense over time instead of all being recognized in the year of occurrence. Experience gains/losses result from periodic studies by the City's actuary which adjust the OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains and losses are recorded as deferred inflows of resources and are amortized into OPEB expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the OPEB liability are also recorded as deferred inflows of resources and are amortized into OPEB expense over the expected remaining service lives of plan members.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Deferred Outflows/Inflows of Resources-Continued

Pensions

For purposes of measuring the net pension liability, 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 Conyers 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.

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The reconciliation of the fund balance of governmental funds to the statement of net position includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$17,475,572 difference are as follows:

Bonds payable	\$12,510,000
Bond premium (to be amortized over the life of the debt)	691,523
Accrued interest payable	123,084
GMA COPs lease pool	3,555,000
Fair value of interest rate swap	(1,135,025)
Compensated absences	859,919
Capital lease payable	<u>871,071</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position- governmental activities</i>	<u>\$17,475,572</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS-CONTINUED

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlay 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.” The details of this \$13,050,426 difference are as follows:

Capital outlay	\$ 14,693,315
Depreciation expense	<u>(1,642,889)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 13,050,426</u>

Another element of that reconciliation states *the issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in that statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.* The detail of this (\$278,446) difference are as follows:

Debt issued or incurred:	
Capital lease financing	\$ 1,069,352
Amortization of bond premiums	(65,817)
Principal repayments:	
GO bonds	(490,000)
Capital lease	<u>(791,981)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>Changes in net position governmental activities</i>	<u>(\$ 278,446)</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE C - DEPOSITS AND INVESTMENT

Total deposits and investments as of June 30, 2020, are summarized as follows:

	2020
As reported in Statement of Net Position	
Cash and cash equivalents	\$ 12,982,737
Investments	2,222,717
	\$ 15,205,454
Cash/investments deposited with financial institutions	\$ 12,982,737
Investments in guaranteed investments contract	2,222,717
	\$ 15,205,454

Credit risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker’s acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the City’s policy to limit its investments to these type of investments. As of June 30, 2020, the City’s investment in the guaranteed investment contract was rated AA- by Standard & Poors.

At June 30, 2020, the City had the following investments:

Investment	Maturities	Fair Value
Guaranteed investment contract	June 1, 2028	\$ 2,222,717
		\$ 2,222,717

Interest rate risk. The City limits investment maturities to three years unless it is matched to a specific cash flow as a means of managing its exposure to fair value losses arising from increasing interest rates.

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 prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City’s interest rate swap agreement is classified as an other asset more fully described in Note F. The fair value of the interest rate swap agreement is classified as Level 2 in the fair value hierarchy, and is valued using an option-adjusted discounted cash flow model.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE C - DEPOSITS AND INVESTMENT-CONTINUED

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.

At June 30, 2020, the City did not have any deposits which were uninsured and uncollateralized as defined by GASB pronouncements.

NOTE D – RECEIVABLES

Receivables as of year end for the City’s funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Nonmajor Governmental	SPLOST	Sanitation	Landfill	Stormwater	Total
Receivables							
Accounts	\$ 104,798	\$ 68,073	\$ -	\$ 54,204	\$ -	\$ 14,567	\$ 241,642
Taxes	425,428	108,882	-	-	-	-	534,310
Police fines	306,433	-	-	-	-	-	306,433
Intergovernmental	54,700	-	1,049,295	-	231,264	-	1,335,259
Total receivables	891,359	176,955	1,049,295	54,204	231,264	14,567	2,417,644
Allowance for uncollectible receivables	(239,004)	-	-	(3,506)	-	-	(242,510)
Net receivables	<u>\$ 652,355</u>	<u>\$ 176,955</u>	<u>\$ 1,049,295</u>	<u>\$ 50,698</u>	<u>\$ 231,264</u>	<u>\$ 14,567</u>	<u>\$ 2,175,134</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE E - CAPITAL ASSETS

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

	<u>Balance June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2020</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 12,604,967	\$ 208,193	\$ (717)	\$ 12,812,443
Construction in progress	4,888,251	11,696,335	-	16,584,586
Infrastructure	<u>250,000</u>	<u>2,030,924</u>	<u>-</u>	<u>2,280,924</u>
Total capital assets not being depreciated	17,743,218	13,935,452	(717)	31,677,953
Capital assets, being depreciated:				
Buildings	8,709,363	-	-	8,709,363
Improvements other than buildings	38,482,259	120,087	-	38,602,346
Equipment	<u>17,697,626</u>	<u>637,776</u>	<u>(220,646)</u>	<u>18,114,756</u>
Total capital assets being depreciated	64,889,248	757,863	(220,646)	65,426,465
Less accumulated depreciation for:				
Buildings	(4,970,608)	(218,890)	-	(5,189,498)
Improvements other than buildings	(24,685,281)	(574,220)	-	(25,259,501)
Equipment	<u>(11,612,652)</u>	<u>(849,779)</u>	<u>220,646</u>	<u>(12,241,785)</u>
Total accumulated depreciation	(41,268,541)	(1,642,889)	220,646	(42,690,784)
Total capital assets, being depreciated, net	<u>23,620,707</u>	<u>(885,026)</u>	<u>-</u>	<u>22,735,681</u>
Governmental activities capital assets, net	<u>\$ 41,363,925</u>	<u>\$ 13,050,426</u>	<u>\$ (717)</u>	<u>\$ 54,413,634</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE E - CAPITAL ASSETS – CONTINUED

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 1,915,577	\$ -	\$ -	\$ 1,915,577
Construction in progress	15,217	-	(15,217)	-
Total capital assets not being depreciated	<u>1,930,794</u>	-	(15,217)	<u>1,915,577</u>
Capital assets, being depreciated:				
Road improvements	2,323,763	15,217	-	2,338,980
Buildings	1,735,006	-	-	1,735,006
Equipment	<u>1,265,263</u>	<u>77,843</u>	-	<u>1,343,106</u>
Total capital assets being depreciated	<u>5,324,032</u>	<u>93,060</u>	-	<u>5,417,092</u>
Less accumulated depreciation for:				
Road improvements	(713,603)	(77,459)	-	(791,062)
Buildings	(755,251)	(86,750)	-	(842,001)
Equipment	<u>(1,166,414)</u>	<u>(46,160)</u>	-	<u>(1,212,574)</u>
Total accumulated depreciation	<u>(2,635,268)</u>	<u>(210,369)</u>	-	<u>(2,845,637)</u>
Total capital assets, being depreciated, net	<u>2,688,764</u>	<u>(117,309)</u>	-	<u>2,571,455</u>
Business-type activities capital assets, net	<u>\$ 4,619,558</u>	<u>\$ (117,309)</u>	<u>\$ (15,217)</u>	<u>\$ 4,487,032</u>

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

Governmental activities:	
General government	\$ 52,761
Public safety	607,194
Public works	737,845
Cultural/recreation	<u>245,089</u>
Total depreciation expense-governmental activities	<u>\$ 1,642,889</u>
Business-type activities:	
Golf	\$ 121,790
Stormwater	<u>88,579</u>
Total depreciation expense-business-type activities	<u>\$ 210,369</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE F - LONG-TERM DEBT

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

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Governmental activities:					
Bonds payable:					
2018 General obligation bonds	\$ 13,000,000	\$ -	\$ (490,000)	\$ 12,510,000	\$ 505,000
Premium	757,340	-	(65,817)	691,523	-
GMA certificates of participation lease pool	3,555,000	-	-	3,555,000	-
Total bonds payable	17,312,340	-	(555,817)	16,756,523	505,000
OPEB	15,997,605	4,050,420	(238,200)	19,809,825	-
Net pension liability	4,583,533	4,243,409	(1,694,983)	7,131,959	-
Compensated absences	764,492	722,416	(626,989)	859,919	214,979
Capital leases	593,700	1,069,352	(791,981)	871,071	205,786
Governmental activity					
Long-term liabilities	<u>\$ 39,251,670</u>	<u>\$ 10,085,597</u>	<u>\$ (3,907,970)</u>	<u>\$ 45,429,297</u>	<u>\$ 925,765</u>
Business-type activities					
Bonds payable:					
Stormwater revenue bonds - 05 Series	\$ 160,000	\$ -	\$ (160,000)	\$ -	\$ -
Net pension liability	398,568	368,992	(147,390)	620,170	-
Compensated absences	58,186	39,796	(38,383)	59,599	14,900
Landfill postclosure care liability	400,000	-	(100,000)	300,000	100,000
Business-type activity					
Long-term liabilities	<u>\$ 1,016,754</u>	<u>\$ 408,788</u>	<u>\$ (445,773)</u>	<u>\$ 979,769</u>	<u>\$ 114,900</u>

The General Fund has typically been used to liquidate the liability for compensated absences, OPEB liability, net pension liability, and other long-term liabilities.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE F - LONG-TERM DEBT – CONTINUED

1. Certificates of Participation

In June 1998, the City entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the City's participation totaling \$3,555,000. The lease pool agreement with the Association provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment to lease equipment from the Association. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semiannual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semiannual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At June 30, 2020, the floating rate being paid by the City is .44% and the market value of this agreement is \$1,135,025 an increase of \$216,033 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2020 based on the derivative contract. This market value is reported as an asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as deferred inflow in the statement of net position.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE F - LONG-TERM DEBT – CONTINUED

2. General Obligation Bonds

In August 2018, the City issued \$13,000,000 of Series 2018 general obligation bonds. The proceeds from the bonds will be used to acquire, construct, refurbish and equip City administrative and public safety facilities. The bonds bear interest at rates from 3.0% to 5.0%, and will mature on April 1, 2039.

Annual debt service requirements to maturity on the City’s outstanding general obligation bonds were as follows at June 30, 2020:

<u>Year</u>	<u>2018 General Obligation Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	505,000	492,337	997,337
2022	515,000	472,137	987,137
2023	530,000	451,537	981,537
2024	540,000	435,637	975,637
2025	555,000	414,037	969,037
2026-2030	3,030,000	1,683,537	4,713,537
2031-2035	3,545,000	1,049,293	4,594,293
2036-2039	3,290,000	328,779	3,618,779
	<u>\$ 12,510,000</u>	<u>\$ 5,327,294</u>	<u>\$ 17,837,294</u>

3. Compensated Absences

Earned and vested paid time off is recorded as a liability in the government-wide statement of net position and the proprietary fund statement of net position. The compensated absences have been paid in prior years mainly from the General Fund.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE F - LONG-TERM DEBT – CONTINUED

4. Capital Leases

The City has entered into lease agreements as a lessee for financing the acquisition of various equipment. The lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and have been recorded at the present value of the future minimum lease payments as of the date of inception. The governmental activities lease is being serviced by the SPLOST Fund with an annual interest rate of 1.69%.

The carrying value of assets subject to capital leases is as follows:

	Governmental Activities
Asset:	
Equipment	\$ 2,871,321
Less: Accumulated depreciation	(454,840)
Total	\$ 2,416,481

The City reported \$95,711 of depreciation expense related to the above capital leases as of June 30, 2020.

The following is a schedule of the future minimum lease payments required under these capital lease obligations and the present value of minimum lease payments at June 30, 2020:

	Governmental Activities
Year ending June 30,	
2021	238,757
2022	238,757
2023	238,756
2024	238,756
Total minimum lease payments	955,026
Less amount representing interest	(83,955)
Present value of future minimum lease payments	\$ 871,071

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE F - LONG-TERM DEBT – CONTINUED

5. Future Debt Service Requirements

Annual debt service requirements to maturity on the City’s outstanding certificates of participation were as follows at June 30, 2020:

<u>Year</u>	<u>GMA Certificates of Participation Capital Lease Pool</u>	
	<u>Principal</u>	<u>Interest</u>
2021	-	168,863
2022	-	168,863
2023	-	168,863
2024	-	168,863
2025	-	168,863
2026-2028	<u>3,555,000</u>	<u>506,589</u>
	<u>\$ 3,555,000</u>	<u>\$ 1,350,904</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE G - INTERFUND RECEIVABLES AND PAYABLES

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

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Sanitation	\$ 20,418
General	Golf	39,890
General	Stormwater	31,848
General	SPLOST	129,136
General	Nonmajor Governmental Funds	7,619
		<u>\$ 228,911</u>
Nonmajor Governmental Funds	General Fund	<u>\$ 5,726</u>

These 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:

	Transfer In:						
Transfer out:	<u>General Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Stormwater Fund</u>	<u>Sanitation Fund</u>	<u>Golf Fund</u>	<u>Landfill Fund</u>	<u>Total</u>
General Fund	\$ -	\$ 1,313,427	\$ 65,000	\$ -	\$ 400,000	\$ 35,866	\$ 1,814,293
Capital Project Fund	-	-	-	-	-	-	-
Landfill Fund	14,186	-	-	-	-	-	14,186
Sanitation Fund	-	-	-	-	-	30,000	30,000
Total transfers out	<u>\$ 14,186</u>	<u>\$ 1,313,427</u>	<u>\$ 65,000</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 65,866</u>	<u>\$ 1,858,479</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE G - INTERFUND RECEIVABLES AND PAYABLES-CONTINUED

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

The General Fund and Sanitation Fund transfer funds to the Emergency Telephone Fund and Landfill Fund, respectively, to cover operating deficits.

NOTE H - PENSION PLANS

Defined Benefit Pension Plan

Plan Description

The City, as authorized by the City Council, has established a non-contributory defined benefit pension plan (The City of Conyers Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for all employees that have been employed full time for one year. Members may retire on reaching the age of 65, depending on their classification. Early retirement is possible on reaching the age of 55, depending on the member's classification. In addition, police officers can retire at age 55 and 10 years of service with full benefits. Benefits are calculated at 1.75% to 2.00% of the average monthly earnings for the period of the five highest years' earnings prior to retirement. Effective August 1, 2015, the City adopted the Rule of 85 for all eligible employees. An employee can retire with full benefits if years of service plus age equals at least 85.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE H - PENSION PLANS-CONTINUED

As of January 1, 2020, the plan membership included the following categories of participants.

Retirees and beneficiaries receiving benefits	80
Terminated vested participants not yet receiving benefits	72
Active participants	180
Total membership	332

Contributions. The 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 plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan is to contribute an amount equal to the recommended contribution described below. For 2020, the actuarially determined contribution rate was 14.5% of covered payroll. For 2020, the City’s contribution to the plan totaled \$1,202,056.

Net Pension Liability of the City

Effective July 1, 2014, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*, which significantly changed the City’s accounting for pension amounts. The information disclosed below is presented in accordance with these new standards.

The City’s net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2019 with update procedures performed by the actuary to roll forward to the total pension liability 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	2.25% plus service based merit increases
Investment rate of return	7.375 %, net of pension plan investment expense, including inflation

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE H - PENSION PLANS-CONTINUED

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

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. There is no cost of living adjustment by the Plan.

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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return*</u>
Domestic equity	45%	6.41%
International equity	20%	6.96%
Real estate	10%	4.76%
Global fixed income	5%	3.06%
Domestic fixed income	20%	1.96%
Cash	0%	0%

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

Discount rate. The discount rate used to measure the total pension liability 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 rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current 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 liability.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE H - PENSION PLANS-CONTINUED

Changes in the Net Pension Liability of the City. The changes in the components of the net pension 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 Liability (a) - (b)
Balances at 6/30/19	\$ 23,206,428	\$ 18,224,327	\$ 4,982,101
Changes for the year:			
Service cost	382,574	-	382,574
Interest	1,741,373	-	1,741,373
Differences between expected and actual experience	1,039,594	-	1,039,594
Contributions—employer	-	1,259,988	(1,259,988)
Net investment income	-	582,385	(582,385)
Benefit payments, including refunds of employee contributions	(741,401)	(741,401)	-
Administrative expense	-	(39,781)	39,781
Other changes	1,409,079	-	1,409,079
Net changes	3,831,219	1,061,191	2,770,028
Balances at 6/30/20	\$ 27,037,647	\$ 19,285,518	\$ 7,752,129

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.375 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375 percent) or 1-percentage-point higher (8.375 percent) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	\$ 11,357,702	\$ 7,752,129	\$ 4,752,529

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE H - PENSION PLANS-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 expense of \$1,566,131. 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
Differences between expected and actual experience	\$ 1,142,082	\$ -
Changes in assumptions	1,222,893	-
Net difference between projected and actual earnings on pension plan investments	-	(87,255)
City contributions subsequent to the measurement date	901,542	-
Total	\$ 3,266,517	\$ (87,255)

City contributions subsequent to the measurement date of \$901,542 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2021	561,798
2022	495,028
2023	570,681
2024	650,213
	\$ 2,277,720

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE H - PENSION PLANS-CONTINUED

Deferred Compensation Plan

Plan Description and Funding Requirements

The City maintains a supplemental retirement plan for employees entitled “The 457(b) Deferred Compensation Plan”. Both full- time and part-time employees of the City are eligible to participate. The plan is administered by AIG VALIC as a 401(a) and 457(b) plan, as defined by the Internal Revenue Service. The City Council of Conyers is the authority to establish and amend plan provisions. At June 30, 2020 there were 94 plan members.

The contribution requirements of plan members are established and amended by the City Council. Employees may elect to contribute a portion of their pay not to exceed the IRS guidelines, into the 457(b) plan. Upon hire date for full-time and part-time employees, the City will contribute up to 2% of the salary for employees contributing to the 457(b) plan into the 401(a). The City matches 33 cents on the dollar up to 2% of the employee’s salary. In order for an employee to get the maximum benefit, the employee needs to contribute 6% or more of their gross salary wages to the 457(b) plan. An employee may begin to contribute after being employed for six months. Once eligible to contribute, the employee is immediately vested in the 401(a). For the fiscal year ended June 30, 2020, the City’s contribution to the 401(a) plan was \$99,919. The amount contributed by employees in the 457(b) plan was \$402,776.

NOTE I - LANDFILL POSTCLOSURE CARE COSTS

The landfill which had been operated by the City for the benefit of the City and Rockdale County residents was closed in September 1993. State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions (postclosure care) at the site for thirty years after the certification of its closure plan by the State of Georgia. The City has recognized a liability of approximately \$300,000 (\$200,000 long term and \$100,000 current) for postclosure care costs based on what it would cost to perform all postclosure care at June 30, 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. These costs will be funded by resources of the City and by Rockdale County. Rockdale County has agreed to fund 70% of these post closure care costs. Accordingly, a receivable from the County equal to the County's share of this liability has been recorded in the landfill enterprise fund.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE J - OTHER POST-EMPLOYMENT BENEFITS

Plan Administration and Benefits. The City of Conyers Other Postemployment Benefits Plan (the “OPEB Plan”) is a defined benefit postretirement health care, prescription drug, and life insurance plan. The OPEB Plan is administered through the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple employer OPEB Plan administered by the Georgia Municipal Association (GMA).

The City provides post-retirement health care insurance and life insurance, in accordance with City policies, to all employees who retire from the City, and meet eligibility requirements for retirement as set forth in the City’s pension plan. Upon termination of employment, eligible employees are entitled to continue coverage, at their own cost. After 10 years of service, the City pays 100% of the retiree’s share of the charges. Retiring employees hired after July 1, 2007, the City pays 75% of the retiree’s share of the charges. Dependents can be covered, but pay the full active premium.

Plan Membership. Membership of the OPEB Plan consisted of the following at January 1, 2019, the date of the latest actuarial valuation:

Active members	170
Retired members or beneficiaries currently receiving benefits	<u>32</u>
Total membership	<u><u>202</u></u>

Contributions. The City has not elected to advance fund the OPEB Plan, but rather maintains the OPEB Plan on a “pay as you go” basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. Because all benefits are paid through the General Fund, it was not necessary to allocate total OPEB liability and related deferred outflows and inflows of resources. The GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS.

For the year ended June 30, 2020, the City contributed \$238,200 for the pay as you go benefits for the OPEB Plan.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE J - OTHER POST-EMPLOYMENT BENEFITS-CONTINUED

Total OPEB Liability of the City

Effective July 1, 2017, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly changed the City's accounting for OPEB amounts. The information disclosed below is presented in accordance with this new standard.

The City's total OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of January 1, 2019 with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial assumptions. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.50%
Healthcare Cost Trend Rate:	6.50% Trended down to 4.5% over 8 years
Inflation Rate:	2.25%
Salary increase:	2.25%, plus service based merit increases
Participation Rate:	100%

Mortality rates were based on the Sex-Distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rate multiplied by 1.25.

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

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE J - OTHER POST-EMPLOYMENT BENEFITS-CONTINUED

Discount rate. Since the City funds this Plan on a pay as you go basis, GASB requires the discount rate be based on a yield or index rate for 20 year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index 20 year, tax-exempt general obligation bonds. Specifically, the chosen rate is 3.50%, the Bond Buyer 20 Bond-GO Index rate published closest to, but not later than, the measurement date of June 30, 2019.

Changes in the Total OPEB Liability of the City. The changes in the total OPEB liability of the City for the year ended June 30, 2020, were as follows:

	Total OPEB Liability (a)
Balances at 6/30/19	<u>\$ 15,997,605</u>
Changes for the year:	
Service cost	976,814
Interest	652,686
Change in benefit terms	(2,284,115)
Differences between expected and actual experience	(850,128)
Assumption changes	5,535,233
Benefit payments	(218,270)
Other changes	-
Net changes	<u>3,812,220</u>
Balances at 6/30/20	<u>\$ 19,809,825</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE J - OTHER POST-EMPLOYMENT BENEFITS-CONTINUED

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	1% Increase (4.50%)	Current Discount Rate (3.50%)	1% Decrease (2.50%)
Total OPEB liability	\$ 16,653,643	\$ 19,809,825	\$ 23,837,477

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5% decreasing to 3.5%) or 1-percentage-point higher (7.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 3.5%)	Current Discount Rate (6.5% decreasing to 4.5%)	1% Increase (7.5% decreasing to 5.5%)
Total OPEB liability	\$ 16,347,671	\$ 19,809,825	\$ 24,327,977

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 revisions 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 June 30, 2020 and the current sharing pattern of costs between employer and inactive employees.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE J - OTHER POST-EMPLOYMENT BENEFITS-CONTINUED

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the City recognized OPEB expense of \$424,481. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (837,706)
Changes in assumptions	4,744,488	(1,297,108)
City contributions subsequent to the measurement date	<u>238,200</u>	<u>-</u>
Total	<u>\$ 4,982,688</u>	<u>\$ (2,134,814)</u>

City contributions subsequent to the measurement date of \$238,200 are reported as deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2021	230,136
2022	230,136
2023	230,136
2024	580,656
2025	669,301
Thereafter	<u>669,309</u>
	<u>\$ 2,609,674</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE K – FUND EQUITY/DEFICIT

1. **Fund Balances**

Nonspendable- The following fund balance is nonspendable because it is allocated to:

General Fund:

Prepaid items	158,966
Assets held for resale	<u>418,046</u>

Total \$ 577,012

Restricted- The following fund balances are restricted for:

General Fund:

Capital equipment purchases	<u>\$ 2,222,717</u>
-----------------------------	---------------------

Special Revenue Funds:

Emergency Telephone- used to account for funds received from wired or wireless telecommunication providers.

\$ 58,906

Forfeited Assets- used to account for funds received from the enforcement of drug laws.

\$ 256,091

Hotel/Motel Fund- used to account for occupancy tax collected by area hotels and motels.

\$ 1,494,196

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE K – FUND EQUITY/DEFICIT-CONTINUED

SPLOST- used to account for capital projects
financed with SPLOST. \$ 3,243,342

Capital Project Fund- used to account for the
acquisition and construction of municipal complex \$ 4,048,542

Debt Service Fund:
Used to account for principal and interest
on long-term obligations \$ 279,908

Unassigned- The City's policy is to maintain an adequate General Fund unassigned fund balance to provide liquidity in the event of an economic downturn or natural disaster.

2. Fund Deficit

At June 30, 2020, the Sanitation and Landfill funds reflected deficit balances of \$326,366 and \$52,048, respectively, in the total net position. Management of the City expects to eliminate the deficit of the Sanitation Fund with future transfers from the General Fund. The deficit of the Landfill Fund will be reduced by operating transfers from the General Fund and possible future reduction of postclosure care cost.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE L - CONTINGENCIES

1. Litigation

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions arising in the course of City operations. In the opinion of City management, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

2. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disaster for which the City carries commercial insurance in amounts deemed prudent by City management. There was no significant reduction in insurance coverage during the year. The City has also joined together with other municipalities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The fund is to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment and all expenses incurred for investigation, negotiation or defense. Settlements did not exceed insurance coverage for the past three fiscal years.

NOTE M - JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Metropolitan Atlanta Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues, if assessed. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of ARC. ARC 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 ARC. Separate financial statements may be obtained from ARC, 200 North Creek, Suite 300, 3715 Northside Parkway, Atlanta, Georgia 30327.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE N - RELATED ORGANIZATION

The City's Mayor is responsible for appointing all board members of the Conyers Housing Authority (the "Authority"). However, the City has no further accountability for the Authority.

NOTE O – HOTEL/MOTEL TAX

The City of Conyers imposes an 8% hotel/motel tax for the purpose of promoting tourism. Expenditures paid with this hotel/motel tax were used to promote tourism as required by O.C.G.A. 48-13-51. A summary of transactions for the fiscal year ended June 30, 2020 is as follows:

2020 tax receipts	\$ 1,074,890
2020 expenditures	
City of Conyers Tourism and Public Affairs	<u>(1,085,045)</u>
Current year receipts under expenditures	<u>\$ (10,155)</u>
Expenditures as a percentage of tax receipts	<u>100.9%</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE P – BUDGET AND COMPLIANCE INFORMATION

1. General

Annual appropriated budgets are adopted for all funds at the department level. The SPLOST capital projects fund is adopted on the project length basis. Budgets for the enterprise funds are for management control purposes and are not required to be reported. Budgets are adopted on a non-GAAP basis. All unencumbered appropriations lapse at fiscal year end. Expenditures may not legally exceed budgeted appropriations at the department level.

Encumbrances represent commitments related to unfulfilled contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balance and are carried forward to the forthcoming year. They do not constitute expenditures or liabilities until the related goods or services are received during the subsequent year. The following process is used by the City in establishing the budgetary data reflected in the financial statements.

Each year, by January 15th for capital budgets and March 15th for operating budgets, all departments of the City submit requests for appropriations to the Chief Financial Officer so that a budget may be prepared. The budget is prepared by department for each fund, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before May 25th, the proposed budget is presented to the City Council for review. The City Council holds public hearings and may add to, subtract from or change appropriations. The budget is then approved by an affirmative vote of a majority of the City Council at the first regular meeting following the public hearing, and by June 25th of each year. As expenditures may not legally exceed budgeted appropriations at the department total level, the Chief Financial Officer is authorized to revise appropriations within each department, but may not change total appropriations for a department.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE P – BUDGET AND COMPLIANCE INFORMATION-CONTINUED

2. Excess of Expenditures Over Appropriations

For the year ended June 30, 2020, expenditures exceeded appropriations as follows:

<u>Fund or Department</u>	<u>Excess</u>
General Fund	
Mayor and Council	\$ (24,961)
City Manager's Office	(12,036)
Administration	(110,066)
Technology	(24,452)
Conyers Security Alert	(9,343)
Vehicle Maintenance	(9,016)
Police	(252,491)
Court Services	(24,454)
Planning & City Services	(107,266)
Planning & Inspections	(88,907)
Infratructure Services	(86,180)
GIHP Administration	(126,592)
Debt Service	(98,862)

These over expenditures were funded by available fund balance. The City will continue to monitor budget versus actual expenditures monthly. When proposed expenditures appear that they will exceed the budget, the City will obtain approval from the City Council for those expenditures.

REQUIRED SUPPLEMENTARY INFORMATION

City of Conyers, Georgia

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GENERAL FUND

	For the year ended June 30, 2020		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Budgeted Amounts			
	Original	Final		
Revenues				
Taxes	\$ 14,020,500	\$ 14,575,500	\$ 14,787,834	\$ 212,334
Licenses, permits and fees	475,000	960,000	1,082,028	122,028
Fines and forfeitures	1,340,100	1,240,100	1,398,893	158,793
Charges for services	752,000	757,000	663,817	(93,183)
Other revenues	1,630,301	1,340,337	1,502,675	162,338
Intergovernmental	214,100	236,600	266,711	30,111
Total revenues	18,432,001	19,109,537	19,701,958	592,421
Expenditures				
General government				
Mayor and Council	242,323	440,823	465,784	(24,961)
City Manager's Office	669,954	685,354	697,390	(12,036)
Administration	1,064,191	1,111,691	1,221,757	(110,066)
Technology	1,475,823	1,348,195	1,372,647	(24,452)
Building maintenance	398,000	411,921	370,988	40,933
Conyers Security Alert	414,287	335,287	344,630	(9,343)
Vehicle maintenance	719,404	767,804	776,820	(9,016)
Public safety				
Police	6,622,869	6,691,168	6,943,659	(252,491)
Court services	797,440	747,325	771,779	(24,454)
Communications	104,185	91,211	68,550	22,661
Public works				
Planning & City Services	486,114	532,314	639,580	(107,266)
Planning & Inspections	360,611	261,811	350,718	(88,907)
Landscape services	374,092	424,624	412,827	11,797
Infrastructure services	1,155,995	1,191,895	1,278,075	(86,180)

Continued

City of Conyers, Georgia

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GENERAL FUND – CONTINUED

For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Cultural/Recreation				
GIHP Administration	288,426	261,229	387,821	(126,592)
GIHP Maintenance	1,165,574	1,092,290	1,010,556	81,734
GIHP Events	154,000	129,000	87,657	41,343
Nondepartmental	840,500	858,500	-	858,500
Debt service	50,000	70,000	168,862	(98,862)
Total expenditures	17,383,788	17,452,442	17,370,100	82,342
Excess of revenues over expenditures	1,048,213	1,657,095	2,331,858	674,763
Other financing sources (uses)				
Sale of capital assets	-	-	8,962	8,962
Transfers in	100,000	100,000	14,186	(85,814)
Transfers out	(1,148,213)	(1,757,095)	(1,814,293)	(57,198)
Total other financing sources (uses)	(1,048,213)	(1,657,095)	(1,791,145)	134,050
Net change in fund balance	-	-	540,713	540,713
Fund balance, beginning of year	4,568,099	4,568,099	4,568,099	-
Fund balance, end of year	<u>\$ 4,568,099</u>	<u>\$ 4,568,099</u>	<u>\$ 5,108,812</u>	<u>\$ 540,713</u>

City of Conyers, Georgia

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2020

Note A- Reconciliation of GAAP Basis and Budget Basis Amounts

The major difference between the budget basis used by the City and GAAP is that encumbrances are recognized as expenditures (budget) as opposed to reservations of fund balance (GAAP). A reconciliation of net change in fund balance as reported on a budgetary basis to those as reported in accordance with generally accepted accounting principles for the General Fund for the year ended June 30, 2020, is as follows:

	<u>General Fund</u>
Net change in fund balance	\$ 540,713
Increase in encumbrances	<u>(33,002)</u>
Net change in fund balance - GAAP basis	<u>\$ 507,711</u>

City of Conyers, Georgia

REQUIRED SUPPLEMENTARY INFORMATION

**INFORMATION ABOUT INFRASTRUCTURE ASSETS
REPORTED USING THE MODIFIED APPROACH**

As allowed by GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments, the City has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the City expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include 144 lane miles of roads that the City is responsible for maintaining.

In order to utilize the modified approach, the City is required to:

- Maintain an asset management system that includes an up-to date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the City.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Measurement Scale of Roads

The City uses the Georgia Department of Transportation Resurfacing Needs Rating Scale to determine the condition of roadway pavements. The scale is used to formally measure and monitor pavement conditions. The rating is determined through visual analysis conducted by experienced crews, as follows:

TYPE OF DISTRESS	PAVEMENT CONDITION (CIRCLE APPROPRIATE SCORE FOR EACH CONDITION)				
	Very Good	Good	Fair	Poor	Very Poor
Transverse Cracking	0	2	4	6	8
Longitudinal Cracking	0	2	4	6	8
Alligator Cracking	0	3	6	9	12
Patching or Potholes	0	2	4	6	8
Rutting	0	1	2	3	4
Edge Raveling	0	1	2	3	4
Roughness	0	1	2	3	4
Oxidation	0	1	2	3	4
Bleeding	0	1	2	3	4
Missing Stone	0	1	2	3	4
TOTAL SCORE PAVEMENT CONDITIONS -					

Overall Rating: 0 - Very Good; 15 – Good; 30 – Fair; 45 – Poor; 60 – Very Poor

City of Conyers, Georgia

REQUIRED SUPPLEMENTARY INFORMATION

**INFORMATION ABOUT INFRASTRUCTURE ASSETS
REPORTED USING THE MODIFIED APPROACH - CONTINUED**

Established Condition Level

The City’s standard is to achieve and maintain at least a fair rating on City roads. No more than 15% of the roads should be rated poor or very poor.

Condition Rating

The City will assess conditions each year. The conditions for the last three assessments:

Assessed Date	Standard Rating	Poor Rating
April 2020	94.5%	5.5%
March 2016	94%	6%
March 2015	98.62%	1.38%

Budgeted and Estimated Costs to Maintain

The following table presents the City’s estimate of spending necessary to preserve and maintain the roads at, or above, the “Established Condition Levels” cited above, and the actual amounts spent during the past five fiscal years:

FISCAL YEAR	ESTIMATED SPENDING	ACTUAL SPENDING
2020	\$1,000,000	\$1,078,508
2019	\$1,000,000	\$800,955
2018	\$2,000,000	\$1,201,797
2017	\$1,531,641	\$1,888,952
2016	\$2,200,000	\$2,673,731

The City determines its program needs annually. The estimated spending provided above are for estimated expenses and commitments relating to appropriate projects at the time of the budget request. Projects may be added, deleted, adjusted, or postponed during the year. The difference between the estimated and actual spending amounts above reflects these changes.

City of Conyers, Georgia

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS**

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 382,574	\$ 381,899	\$ 389,563	\$ 373,556	\$ 311,966	\$ 323,849
Interest	1,741,373	1,605,758	1,484,355	1,368,995	1,107,664	1,056,937
Differences between expected and actual experience	1,039,594	513,115	215,390	261,109	942,777	(295,405)
Changes of assumptions	1,409,079	-	382,517	-	-	(856)
Change of benefit terms	-	-	-	-	1,475,184	-
Benefit payments, including refunds of employee contributions	(741,401)	(645,100)	(548,067)	(482,239)	(448,912)	(411,057)
Net change in total pension liability	<u>3,831,219</u>	<u>1,855,672</u>	<u>1,923,758</u>	<u>1,521,421</u>	<u>3,388,679</u>	<u>673,468</u>
Total pension liability-beginning	<u>23,206,428</u>	<u>21,350,756</u>	<u>19,426,998</u>	<u>17,905,577</u>	<u>14,516,898</u>	<u>13,843,430</u>
Total pension liability-ending (a)	<u><u>\$ 27,037,647</u></u>	<u><u>\$ 23,206,428</u></u>	<u><u>\$ 21,350,756</u></u>	<u><u>\$ 19,426,998</u></u>	<u><u>\$ 17,905,577</u></u>	<u><u>\$ 14,516,898</u></u>
Plan fiduciary net position						
Contributions-employer	\$ 1,259,988	\$ 1,000,789	\$ 1,019,275	\$ 732,468	\$ 699,640	\$ 812,268
Net investment income	582,385	1,630,442	2,101,890	1,364,725	123,800	1,183,125
Benefit payments, including refunds of employee contributions	(741,401)	(645,100)	(548,067)	(482,239)	(448,912)	(411,057)
Administrative expenses	(39,781)	(41,966)	(43,197)	(25,953)	(29,972)	(24,375)
Net change in plan fiduciary net pension	<u>1,061,191</u>	<u>1,944,165</u>	<u>2,529,901</u>	<u>1,589,001</u>	<u>344,556</u>	<u>1,559,961</u>
Plan fiduciary net position-beginning	<u>18,224,327</u>	<u>16,280,162</u>	<u>13,750,261</u>	<u>12,161,260</u>	<u>11,816,704</u>	<u>10,256,743</u>
Plan fiduciary net position-ending (b)	<u><u>\$ 19,285,518</u></u>	<u><u>\$ 18,224,327</u></u>	<u><u>\$ 16,280,162</u></u>	<u><u>\$ 13,750,261</u></u>	<u><u>\$ 12,161,260</u></u>	<u><u>\$ 11,816,704</u></u>
City's net pension liability- ending (a) - (b)	<u><u>\$ 7,752,129</u></u>	<u><u>\$ 4,982,101</u></u>	<u><u>\$ 5,070,594</u></u>	<u><u>\$ 5,676,737</u></u>	<u><u>\$ 5,744,317</u></u>	<u><u>\$ 2,700,194</u></u>
Plan fiduciary net position as a percentage of the total pension liability	71.3%	78.5%	76.3%	70.8%	67.9%	81.4%
Covered payroll	\$ 9,623,728	\$ 8,911,907	\$ 8,564,478	\$ 8,095,647	\$ 7,762,963	\$ 6,717,738
City's net pension liability as a percentage of covered payroll	80.6%	55.9%	59.2%	70.1%	74.0%	40.2%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

City of Conyers, Georgia

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,202,056	\$ 1,151,369	\$ 1,078,525	\$ 999,524	\$ 643,450	\$ 718,370	\$ 843,568
Contributions in relation to the actuarially determined contribution	<u>1,202,056</u>	<u>1,151,369</u>	<u>1,078,525</u>	<u>999,524</u>	<u>643,450</u>	<u>718,370</u>	<u>843,568</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,257,203	\$ 9,679,794	\$ 9,116,676	\$ 8,664,468	\$ 8,204,727	\$ 8,069,467	\$ 6,806,523
Contributions as a percentage of Covered payroll	11.7%	11.9%	11.8%	11.5%	7.8%	8.9%	12.4%

Notes to the Schedule

Valuation date	January 1, 2020
Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Amortization period	Remaining amortization period varies for the base, with a net effective amortization period of 12 years
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial assumptions:	
Investment rate of return	7.375%
Projected salary increases	2.25% plus service based merit increases

City of Conyers, Georgia

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

OPEB RETIREMENT PLAN

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 976,814	\$ 1,004,280	\$ 1,194,444
Interest	652,686	574,346	479,416
Change of benefit terms	(2,284,115)	-	-
Differences between expected and actual experience	(850,128)	(70,581)	(123,956)
Assumption changes	5,535,233	(461,285)	(1,979,164)
Benefit payments	(218,270)	(176,091)	(141,915)
Net change in total OPEB liability	3,812,220	870,669	(571,175)
Total OPEB liability-beginning	15,997,605	15,126,936	15,698,111
Total OPEB liability-ending	\$ 19,809,825	\$ 15,997,605	\$ 15,126,936
Covered payroll	\$ 9,623,728	\$ 8,095,647	\$ 8,095,647
Total OPEB liability as a percentage of covered payroll	205.84%	197.61%	186.85%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The City is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS AND

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**City of Conyers, Georgia
Nonmajor Governmental Funds**

**COMBINING BALANCE SHEET
June 30, 2020**

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Emergency Telephone	Forfeited Assets	Hotel/ Motel	Debt Service	Funds
ASSETS					
Cash and cash equivalents	\$ 630	\$ 269,623	\$ 1,402,288	\$ 279,908	\$ 1,952,449
Receivables - net of allowances for uncollectible accounts					
Accounts	68,073	-	-	-	68,073
Taxes	-	-	108,882	-	108,882
Due from other funds	5,726	-	-	-	5,726
Prepaid items	-	-	8,073	-	8,073
Total assets	\$ 74,429	\$ 269,623	\$ 1,519,243	\$ 279,908	\$ 2,143,203
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 12,004	\$ 6,467	\$ -	\$ 18,471
Accrued salaries	15,523	-	12,489	-	28,012
Due to other funds	-	1,528	6,091	-	7,619
Total liabilities	15,523	13,532	25,047	-	54,102
Fund balances:					
Nonspendable	-	-	8,073	-	8,073
Restricted	58,906	256,091	1,486,123	279,908	2,081,028
Total fund balances	58,906	256,091	1,494,196	279,908	2,089,101
Total liabilities and fund balances	\$ 74,429	\$ 269,623	\$ 1,519,243	\$ 279,908	\$ 2,143,203

**City of Conyers, Georgia
Nonmajor Governmental Funds**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended June 30, 2020

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Emergency Telephone	Forfeited Assets	Hotel/ Motel	Debt Service	
Revenues					
Taxes	\$ -	\$ -	\$ 1,074,890	\$ -	\$ 1,074,890
Fines and forfeitures	-	101,237	-	-	101,237
Charges for services	405,718	-	-	-	405,718
Intergovernmental	-	-	2,000	-	2,000
Interest income	-	4,368	-	-	4,368
Contributions and donations	-	-	8,300	-	8,300
Total revenues	405,718	105,605	1,085,190	-	1,596,513
Expenditures					
Current					
Public safety	807,478	378,369	-	-	1,185,847
Cultural/Recreation	-	-	1,085,045	-	1,085,045
Debt Service					
Principal	-	-	-	490,000	490,000
Interest and other charges	-	-	-	507,067	507,067
Total expenditures	807,478	378,369	1,085,045	997,067	3,267,959
Excess (deficiency) of expenditures over revenues	(401,760)	(272,764)	145	(997,067)	(1,671,446)
Other financing sources					
Transfers in: General Fund	398,427	-	-	915,000	1,313,427
Total other financing sources	398,427	-	-	915,000	1,313,427
Net change in fund balances	(3,333)	(272,764)	145	(82,067)	(358,019)
Fund balance, beginning of year	62,239	528,855	1,494,051	361,975	2,447,120
Fund balance, end of year	\$ 58,906	\$ 256,091	\$ 1,494,196	\$ 279,908	\$ 2,089,101

**City of Conyers, Georgia
Emergency Telephone Fund**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL**

For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services:				
Emergency 911 charges	\$ 380,000	\$ 406,000	\$ 405,718	\$ (282)
Total revenues	380,000	406,000	405,718	(282)
Expenditures				
Public safety				
Communications administration	852,495	812,065	807,478	4,587
Total expenditures	852,495	812,065	807,478	4,587
Deficiency of revenues under expenditures	(472,495)	(406,065)	(401,760)	4,305
Other financing sources				
Transfers in	472,495	406,065	398,427	(7,638)
Total other financing sources	472,495	406,065	398,427	(7,638)
Net change in fund balance	-	-	(3,333)	(3,333)
Fund balance, beginning of year	62,239	62,239	62,239	-
Fund balance, end of year	\$ 62,239	\$ 62,239	\$ 58,906	\$ (3,333)

**City of Conyers, Georgia
Forfeited Assets Fund**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL**

For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final		
Revenues				
Fines and forfeitures	\$ 168,500	\$ 109,500	\$ 101,237	\$ (8,263)
Other revenue	-	-	4,368	4,368
Total revenues	<u>168,500</u>	<u>109,500</u>	<u>105,605</u>	<u>(3,895)</u>
Expenditures				
Public safety	<u>168,500</u>	<u>424,550</u>	<u>378,369</u>	<u>46,181</u>
Total expenditures	<u>168,500</u>	<u>424,550</u>	<u>378,369</u>	<u>46,181</u>
Net change in fund balance	-	(315,050)	(272,764)	42,286
Fund balance, beginning of year	<u>528,855</u>	<u>528,855</u>	<u>528,855</u>	<u>-</u>
Fund balance, end of year	<u>\$ 528,855</u>	<u>\$ 213,805</u>	<u>\$ 256,091</u>	<u>\$ 42,286</u>

**City of Conyers, Georgia
Hotel/Motel Fund**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL**

For the year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,267,449	\$ 1,017,449	\$ 1,074,890	\$ 57,441
Intergovernmental	-	-	2,000	2,000
Other Revenue	-	-	8,300	8,300
Total revenues	<u>1,267,449</u>	<u>1,017,449</u>	<u>1,085,190</u>	<u>67,741</u>
Expenditures				
Cultural/Recreation	<u>1,267,449</u>	<u>1,130,988</u>	<u>1,085,045</u>	<u>45,943</u>
Total expenditures	<u>1,267,449</u>	<u>1,130,988</u>	<u>1,085,045</u>	<u>45,943</u>
Net change in fund balance	-	(113,539)	145	113,684
Fund balance, beginning of year	<u>1,494,051</u>	<u>1,494,051</u>	<u>1,494,051</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,494,051</u>	<u>\$ 1,380,512</u>	<u>\$ 1,494,196</u>	<u>\$ 113,684</u>

**City of Conyers, Georgia
Debt Service Fund**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL**

For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Expenditures				
Debt service				
Principal	\$ 490,000	\$ 490,000	\$ 490,000	\$ -
Interest	507,038	507,038	507,067	(29)
Total expenditures	997,038	997,038	997,067	(29)
Deficiency of revenues under expenditures	(997,038)	(997,038)	(997,067)	(29)
Other financing sources				
Transfers in	997,038	997,038	915,000	(82,038)
Total other financing sources	997,038	997,038	915,000	(82,038)
Net change in fund balance	-	-	(82,067)	(82,067)
Fund balance, beginning of year	361,975	361,975	361,975	-
Fund balance, end of year	\$ 361,975	\$ 361,975	\$ 279,908	\$ (82,067)

City of Conyers, Georgia

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS –
2011 ISSUE

For the year ended June 30, 2020

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Hardin/O'Kelley Complete Street	\$ 902,000	\$ 902,000	\$ 4,081,979	\$ 1,297,856	\$ 5,379,835
Green/Open Space	1,500,000	1,500,000	1,610,529	135,371	1,745,900
North Street/Barton/Railroad	585,000	585,000	1,314,675	-	1,314,675
Irwin Bridge	600,000	600,000	2,942,784	-	2,942,784
Pine Log Road	216,000	216,000	262	-	262
Bryant Street	521,000	521,000	750	-	750
Centennial Parkway	400,000	400,000	337	-	337
Scott/Green/Main/Pinelog	600,000	600,000	2,726	-	2,726
Sigman @ East Park/Sarasota	540,000	540,000	318,977	-	318,977
Eastview Road	850,000	850,000	1,844,661	-	1,844,661
Millers Chapel Road	-	493,026	535,166	-	535,166
Olde Town Parking Lot	-	565,721	684,596	-	684,596
Striping	35,000	35,000	59,158	-	59,158
Resurfacing	2,000,000	2,000,000	532,378	-	532,378
Public Safety Vehicles & Towers	1,500,000	1,500,000	5,989,556	-	5,989,556
Total	\$ 10,249,000	\$ 11,307,747	\$ 19,918,534	\$ 1,433,227	\$ 21,351,761

Debt service expenditures already
included in amounts above
Total SPLOST Fund Expenditures

603,733
\$ 2,036,960

City of Conyers, Georgia

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS –
2017 ISSUE

For the year ended June 30, 2020

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
City Parks Upgrades	250,000	250,000	118,800	-	118,800
Public Safety Software	1,000,000	1,000,000	-	1,069,352	1,069,352
Public Safety Building (City Hall)	2,500,000	2,500,000	-	-	-
Public Safety Capital	1,500,000	1,500,000	759,633	303,862	1,063,495
Main at Milstead Signal Upgrades	5,000	5,000	5,000	-	5,000
Municipal Court Building			-	25,990	25,990
Rowland Road Culvert	-	473,000	472,894	16,485	489,379
Striping	150,000	150,000	100,323	6,888	107,211
Resurfacing	1,500,000	1,500,000	827,190	605,169	1,432,359
Total	\$ 6,905,000	\$ 7,378,000	\$ 2,283,840	\$ 2,027,746	\$ 4,311,586

Debt service expenditures already included in amounts above	\$ 238,757
2011 SPLOST Expenditures	2,036,960
Total SPLOST Fund Expenditures	\$ 4,303,463

City of Conyers, Georgia

BALANCE SHEET
COMPONENT UNIT

June 30, 2020

	The Conyers Downtown Development Authority
ASSETS	
Cash and cash equivalents	\$ 29,945
Prepaid items	357
Assets held for resale	<u>328,673</u>
Total assets	<u><u>358,975</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Unearned revenue	7,752
Loans payable	<u>393,410</u>
Total liabilities	401,162
Fund balances (deficit):	
Unassigned	<u>(42,187)</u>
Total fund balances (deficit)	<u>(42,187)</u>
Total liabilities and fund balances	<u>\$ 358,975</u>

City of Conyers, Georgia

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT

June 30, 2020

	<u>The Conyers Downtown Development Authority</u>
Revenues	
Rental income	\$ 28,366
Total revenues	<u>28,366</u>
Expenditures	
Current	
Development	<u>13,258</u>
Debt service	
Interest	<u>15,235</u>
Total expenditures	<u>28,493</u>
Net change in fund balances	(127)
Fund balance (deficit), beginning of year	<u>(42,060)</u>
Fund balance (deficit), end of year	<u>\$ (42,187)</u>

CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

City of Conyers, Georgia

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULES BY SOURCE

June 30,

	<u>2020</u>	<u>2019</u>
Governmental funds capital assets:		
Land	\$ 12,812,443	\$ 12,604,967
Building	8,709,363	8,709,363
Improvements	38,602,346	38,482,259
Infrastructure	2,280,924	250,000
Construction in Progress	16,584,586	4,888,251
Equipment	<u>18,114,756</u>	<u>17,697,626</u>
Total governmental funds capital assets	<u>\$ 97,104,418</u>	<u>\$ 82,632,466</u>
Investments in governmental funds capital assets by source:		
Acquired prior to 1993	\$ 4,231,237	\$ 4,231,237
General fund	32,951,792	30,192,660
Special revenues funds	759,213	759,213
Capital projects fund	30,893,558	19,180,738
Enterprise fund	28,018,618	28,018,618
Donations	<u>250,000</u>	<u>250,000</u>
Total governmental funds capital assets	<u>\$ 97,104,418</u>	<u>\$ 82,632,466</u>

City of Conyers, Georgia

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

June 30, 2020

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Infrastructure</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
General government:							
Administrative	\$ 2,991,950	\$ 346,899	\$ 379,518	\$ -	\$ 444,856	\$ 9,556,663	\$ 13,719,886
Technology	-	-	-	-	1,587,316	-	1,587,316
Conyers' Commerce Center	672,800	-	-	-	-	-	672,800
Security alert	-	-	-	-	175,337	-	175,337
Total general government	<u>3,664,750</u>	<u>346,899</u>	<u>379,518</u>	<u>-</u>	<u>2,207,509</u>	<u>9,556,663</u>	<u>16,155,339</u>
Public safety:							
Police department	-	622,635	15,930	-	11,172,405	1,069,352	12,880,322
Fire	-	141,126	-	-	-	-	141,126
Total public safety	<u>-</u>	<u>763,761</u>	<u>15,930</u>	<u>-</u>	<u>11,172,405</u>	<u>1,069,352</u>	<u>13,021,448</u>
Public works	<u>2,238,987</u>	<u>2,232,045</u>	<u>15,245,125</u>	<u>2,280,924</u>	<u>2,945,438</u>	<u>5,694,835</u>	<u>30,637,354</u>
Total public works	2,238,987	2,232,045	15,245,125	2,280,924	2,945,438	5,694,835	30,637,354
Cultural/Recreation:							
Horse Park	6,651,706	4,374,051	22,760,288	-	1,087,703	76,631	34,950,379
Tourism	257,000	992,607	201,485	-	701,701	187,105	2,339,898
Total cultural/recreation	<u>6,908,706</u>	<u>5,366,658</u>	<u>22,961,773</u>	<u>-</u>	<u>1,789,404</u>	<u>263,736</u>	<u>37,290,277</u>
 Total	 <u>\$ 12,812,443</u>	 <u>\$ 8,709,363</u>	 <u>\$ 38,602,346</u>	 <u>\$ 2,280,924</u>	 <u>\$ 18,114,756</u>	 <u>\$ 16,584,586</u>	 <u>\$ 97,104,418</u>

City of Conyers, Georgia

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

For the fiscal year ended June 30, 2020

<u>Function and Activity</u>	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2020</u>
General government:				
Administrative	\$ 4,341,721	\$ 9,378,165	\$ -	\$ 13,719,886
Technology	1,587,316	-	-	1,587,316
Conyers' Commerce Center	672,800	-	-	672,800
Security alert	175,337	-	-	175,337
Total general government	<u>6,777,174</u>	<u>9,378,165</u>	<u>-</u>	<u>16,155,339</u>
Public safety:				
Police department	11,726,208	1,374,760	(220,646)	12,880,322
Fire	141,126	-	-	141,126
Total public safety	<u>11,867,334</u>	<u>1,374,760</u>	<u>(220,646)</u>	<u>13,021,448</u>
Public works	<u>26,815,719</u>	<u>3,822,352</u>	<u>(717)</u>	<u>30,637,354</u>
Total public works	26,815,719	3,822,352	(717)	30,637,354
Cultural/Recreation:				
Horse Park	34,898,826	51,553	-	34,950,379
Tourism	2,273,413	66,485	-	2,339,898
Total cultural/recreation	<u>37,172,239</u>	<u>118,038</u>	<u>-</u>	<u>37,290,277</u>
Total	<u>\$ 82,632,466</u>	<u>\$ 14,693,315</u>	<u>\$ (221,363)</u>	<u>\$ 97,104,418</u>

STATISTICAL SECTION

This part of the City's comprehensive 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 <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being has changed over time.</i>	93-99
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	100-106
Debt Capacity <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>	107-109
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	110-112
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	113-115

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

City of Conyers, Georgia

Net Position by Component
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in capital assets	\$ 24,700,491	\$ 23,519,921	\$ 22,455,361	\$ 22,755,460	\$ 25,480,668	\$ 28,910,011	\$ 32,489,423	\$ 34,874,714	\$ 40,093,437	\$ 45,329,032
Restricted	1,567,846	3,246,289 ⁽¹⁾	4,617,499 ⁽²⁾	5,910,415 ⁽⁴⁾	5,188,998	3,903,417	2,393,457	3,235,651	18,457,176 ⁽¹⁰⁾	9,380,985 ⁽¹²⁾
Unrestricted	(1,559,516)	(2,785,802)	(4,867,885) ⁽³⁾	(5,745,717) ⁽⁵⁾	(9,206,666) ⁽⁷⁾	(10,479,084)	(11,298,353)	(19,515,505) ⁽⁹⁾	(34,362,390)	(25,343,163) ⁽¹³⁾
Subtotal Governmental Activities Net Position	\$ 24,708,821	\$ 23,980,408	\$ 22,204,975	\$ 22,920,158	\$ 21,463,000	\$ 22,334,344	\$ 23,584,527	\$ 18,594,860	\$ 24,188,223	\$ 29,366,854
Business-type Activities										
Net Investment in capital assets	\$ 4,941,417	\$ 5,223,699	\$ 5,013,768	\$ 4,745,179	\$ 4,653,027	\$ 4,295,668	\$ 4,450,419	\$ 4,501,794	\$ 4,459,558	\$ 4,487,032
Unrestricted	(1,842,613)	(2,635,311)	(1,962,899)	(1,386,978) ⁽⁶⁾	(1,823,288) ⁽⁸⁾	(2,177,794)	(1,955,997)	(1,408,470)	(1,153,242)	(1,013,104)
Subtotal Business-type Activities Net Position	\$ 3,098,804	\$ 2,588,388	\$ 3,050,869	\$ 3,358,201	\$ 2,829,739	\$ 2,117,874	\$ 2,494,422	\$ 3,093,324	\$ 3,306,316	\$ 3,473,928
Primary Government										
Net Investment in capital assets	\$ 29,641,908	\$ 28,743,620	\$ 27,469,129	\$ 27,500,639	\$ 30,133,695	\$ 33,205,679	\$ 36,939,842	\$ 39,376,508	\$ 44,552,995	\$ 49,816,064
Restricted	1,567,846	3,246,289	4,617,499	5,910,415	5,188,998	3,903,417	2,393,457	3,235,651	18,457,176 ⁽¹¹⁾	9,380,985
Unrestricted	(3,402,129)	(5,421,113)	(6,830,784)	(7,132,695)	(11,029,954)	(12,656,878)	(13,254,350)	(20,923,975)	(35,515,632)	(26,356,267)
Total Primary Government Net Position	\$ 27,807,625	\$ 26,568,796	\$ 25,255,844	\$ 26,278,359	\$ 24,292,739	\$ 24,452,218	\$ 26,078,949	\$ 21,688,184	\$ 27,494,539	\$ 32,840,782

(1) The increase is due to the City receiving 2011 Splost funds in fiscal year 2012.

(2) The increase is due to the City receiving 2011 Splost funds for twelve months in fiscal year 2013.

(3) The increase is due to transfer from General Fund to other funds.

(4) The increase is mainly due to increase in SPLOST funds.

(5) See explanation at (4).

(6) The decrease is due to the decreased amount of transfers from General Fund to other funds.

(7) The increase is mainly due to prior period adjustment of \$2.6 million for net pension liability related to GASB 68.

(8) The increase is mainly due to prior period adjustment of nearly \$325,000 for net pension liability related to GASB 68.

(9) The increase is mainly due to prior period adjustment of \$7.5 million for OPEB liability related to GASB 75.

(10) The increase is mainly due to \$13 million general obligation bonds issued in fiscal year 2019

(11) See explanation at (10).

(12) The decrease is mainly due to spending of bond proceeds on the new City Hall complex in fiscal year 2020.

(13) See explanation at (12).

City of Conyers, Georgia
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 3,984,947	\$ 4,221,525	\$ 3,924,921	\$ 4,107,043	\$ 4,212,428	\$ 4,150,858	\$ 4,597,704	\$ 4,691,506	\$ 4,099,656	\$ 5,288,058
Public safety and communications	6,079,027	6,345,778	6,118,795	6,461,550	5,433,072	4,637,265	7,811,789	7,906,375	8,722,995	8,165,317
Public works	3,229,666	2,596,497	2,796,180	2,423,455	3,545,845	5,863,799	3,243,954	3,575,535	3,406,129	2,886,864
Culture and recreation	3,728,216	3,714,132	3,629,157	3,563,062	3,241,830	2,754,995	2,877,446	3,131,548	2,992,591	2,635,264
Interest on long-term debt	403,522	336,987	255,641	237,704	207,113	233,592	224,507	213,934	901,111	656,947
Total governmental activities expenses	17,425,378	17,214,919	16,724,694	16,792,814	16,640,288	17,640,509	18,755,400	19,518,898	20,122,482	19,632,450
Business-type activities:										
Sanitation	1,331,313	1,409,559	1,307,687	1,471,989	1,523,651	1,614,080	1,513,634	1,478,178	1,274,042	1,259,711
Landfill	47,982	39,569	50,858	162,401	44,856	84,974	45,266	36,768	39,742	39,479
Stormwater	395,936	392,300	471,356	459,985	480,350	569,204	505,258	412,269	630,246	323,211
Golf	1,534,772	1,433,827	1,585,896	1,497,626	1,536,448	1,631,408	1,673,694	1,634,490	1,654,309	1,756,921
Total business-type activities expenses	3,310,003	3,275,255	3,415,797	3,592,001	3,585,305	3,899,666	3,737,852	3,561,705	3,598,339	3,379,322
Total primary government expenses	\$20,735,381	\$20,490,174	\$20,140,491	\$ 20,384,815	\$ 20,225,593	\$ 21,540,175	\$ 22,493,252	\$ 23,080,603	\$ 23,720,821	\$23,011,772
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 503,895	\$ 501,379	\$ 560,139	\$ 555,137	\$ 580,143	\$ 583,679	\$ 632,168	\$ 583,200	\$ 678,291	\$ 545,840
Public safety and communications	1,521,489	1,626,044	1,713,771	2,214,514	1,897,293	1,984,125	1,940,250	2,265,123	2,038,068	2,065,130
Public works	81,934	100,690	140,466	159,605	131,305	201,131	173,859	410,681	416,178	1,086,401
Cultural/recreation	1,195,825	1,184,757	1,018,126	1,238,151	1,152,913	1,167,428	1,211,211	985,691	1,021,987	765,063
Operating grants and contributions	489,458	407,654	198,835	70,926	51,414	83,121	139,139	280,326	292,384	284,743
Capital grants and contributions	1,192,848	2,231,838	2,114,912	2,281,163	2,453,494	2,430,313	2,891,826	4,283,464	5,670,203	3,728,351
Total governmental activities program revenues	4,985,449	6,052,362	5,746,249	6,519,496	6,266,562	6,449,797	6,988,453	8,808,485	10,117,111	8,475,528
Business-type activities:										
Charges for services:										
Sanitation	1,217,169	1,223,559	1,235,550	1,234,781	1,275,119	1,275,689	1,282,393	1,280,024	1,296,416	1,357,957
Stormwater	483,964	473,346	481,885	479,833	470,899	451,824	500,119	507,858	573,116	521,555
Golf	475,905	1,048,641	1,032,531	1,205,918	1,296,996	1,304,371	1,387,762	1,343,470	1,328,351	1,153,058
Operating grants and contributions	1,628,536	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	3,805,574	2,745,546	2,749,966	2,920,532	3,043,014	3,031,884	3,170,274	3,131,352	3,197,883	3,032,570
Total primary government program revenues	\$ 8,791,023	\$ 8,797,908	\$ 8,496,215	\$ 9,440,028	\$ 9,309,576	\$ 9,481,681	\$ 10,158,727	\$ 11,939,837	\$ 13,314,994	\$11,508,098

(Continued)

City of Conyers, Georgia

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (expense)/revenue										
Governmental activities	\$ (12,439,929)	\$ (11,162,557)	\$ (10,978,445)	\$ (10,273,318)	\$ (10,373,726)	\$ (11,190,712)	\$ (11,766,947)	\$ (10,710,413)	\$ (10,005,371)	\$ (11,156,922)
Business-type activities	495,571	(529,709)	(665,831)	(671,469)	(542,291)	(867,782)	(567,578)	(430,353)	(400,456)	(346,752)
Total primary government net expenses	\$ (11,944,358)	\$ (11,692,266)	\$ (11,644,276)	\$ (10,944,787)	\$ (10,916,017)	\$ (12,058,494)	\$ (12,334,525)	\$ (11,140,766)	\$ (10,405,827)	\$ (11,503,674)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 5,538,373	\$ 5,362,510	\$ 5,202,127	\$ 6,303,458 ⁽⁶⁾	\$ 6,003,839	\$ 6,083,037	\$ 7,885,387 ⁽¹⁰⁾	\$ 7,978,471	\$ 9,379,770 ⁽¹¹⁾	\$ 10,126,572
Other taxes	4,252,994	4,438,287	4,480,208	4,835,044	5,226,317	5,450,990	5,423,120	5,426,303	5,702,682	5,769,025
Interest and investment earnings	211,654	204,755	208,806	214,345	219,064	221,307	226,594	236,816	527,690	446,745
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	173,989	418,689	203,162	320,552	394,031	438,816	387,913	464,053	574,164	479,891
Transfers	(1,862,920)	9,903 ⁽¹⁾	(891,291) ⁽³⁾	(684,898)	(297,617) ⁽⁷⁾	(132,094)	(905,884)	(872,542)	(585,572)	(486,680)
Total governmental activities	8,314,090	10,434,144	9,203,012	10,988,501	11,545,634	12,062,056	13,017,130	13,233,101	15,598,734	16,335,553
Business-type activities:										
Interest and investment earnings	1,833	1,498	-	-	-	55	183	109	57	48
Miscellaneous	33,412	27,698	237,021 ⁽⁴⁾	293,903	41,152 ⁽⁸⁾	23,768	38,059	156,604	27,819	27,636
Transfers	1,862,920	(9,903) ⁽²⁾	891,291 ⁽⁵⁾	684,898	297,617 ⁽⁹⁾	132,094	905,884	872,542	585,572	486,680
Total business-type activities	1,898,165	19,293	1,128,312	978,801	338,769	155,917	944,126	1,029,255	613,448	514,364
Total primary government	\$ 10,212,255	\$ 10,453,437	\$ 10,331,324	\$ 11,967,302	\$ 11,884,403	\$ 12,217,973	\$ 13,961,256	\$ 14,262,356	\$ 16,212,182	\$ 16,849,917
Change in Net Position										
Governmental activities	\$ (4,125,839)	\$ (728,413)	\$ (1,775,433)	\$ 715,183	\$ 1,171,908	\$ 871,344	\$ 1,250,183	\$ 2,522,688	\$ 5,593,363	\$ 5,178,631
Business-type activities	2,393,736	(510,416)	462,481	307,332	(203,522)	(711,865)	376,548	598,902	212,992	167,612
Total primary government	\$ (1,732,103)	\$ (1,238,829)	\$ (1,312,952)	\$ 1,022,515	\$ 968,386	\$ 159,479	\$ 1,626,731	\$ 3,121,590	\$ 5,806,355	\$ 5,346,243

(1) The increase is due to the City transferring \$1.9 million to Golf Fund in fiscal year 2011 .

(2) See explanation at (1).

(3) The increase is due to General Fund transfers to Sanitation and Golf Funds.

(4) The increase is mainly due to sale of timber in Golf Fund and intergovernmental revenue of \$121,737 in Stormwater Fund.

(5) See explanation at (3).

(6) The increase is due to the increased tax millage rate in FY 2014.

(7) The decrease is due to General Fund reducing the amount of transfers to Golf and Sanitation Funds.

(8) In FY 14, Sanitation Fund sold equipment to Pratt with the realignment of the fund.

(9) See explanation at (7).

(10) The increase is due to increased millage in FY 2017.

(11) The increase is mainly due to 1.3 mill ad valorem tax to pay debt service on general obligation bonds issued in FY 2019.

City of Conyers, Georgia

**Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)**

Fiscal Year	Property Tax	Franchise Tax	Hotel-Motel Tax	Alcoholic Beverage Tax	Insurance Premium Tax	Occupational Tax	Other Taxes	Total
2011	5,538,373	1,426,488	720,180	593,498	575,408	475,937	461,483	9,791,367
2012	5,362,510	1,477,040	710,976	603,568	712,709	483,379	450,615	9,800,797
2013	5,202,127	1,372,350	766,031	565,363	757,016	453,832	565,616	9,682,335
2014	6,303,458	1,396,541	894,325	570,520	783,818	554,099	635,741	11,138,502
2015	6,003,839	1,461,744	1,124,539	605,538	819,539	584,251	630,706	11,230,156
2016	6,083,037	1,460,739	1,297,621	614,275	875,543	591,985	610,827	11,534,027
2017	7,885,387	1,444,679	1,271,947	613,295	948,383	595,594	549,222	13,308,507
2018	7,978,471	1,386,582	1,258,868	613,109	1,009,941	608,142	549,661	13,404,774
2019	9,379,770	1,496,550	1,281,824	626,215	1,089,029	622,136	586,928	15,082,452
2020	10,126,572	1,534,359	1,074,890	625,864	1,160,370	596,820	776,722	15,895,597

City of Conyers, Georgia

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Nonspendable	\$ 1,634,996	\$ 1,791,096	\$ 2,093,559	\$ 1,053,951 ⁽¹⁾	\$ 1,123,961	\$ 1,343,183	\$ 774,689	\$ 782,611	\$ 578,537	\$ 577,012
Restricted	2,178,122	2,445,528	2,331,074	2,877,260	3,194,981	3,356,784	3,162,522	2,816,254	2,525,374	2,222,717
Assigned	46,927	39,852	44,318	-	-	-	-	-	-	-
Unassigned	159,994	(882,893)	(2,653,264)	(1,739,918) ⁽²⁾	(1,716,846)	(1,123,188)	387,695 ⁽⁶⁾	890,251	1,464,188	2,276,081
Total General Fund	<u>\$ 4,020,039</u>	<u>\$ 3,393,583</u>	<u>\$ 1,815,687</u>	<u>\$ 2,191,293</u>	<u>\$ 2,602,096</u>	<u>\$ 3,576,779</u>	<u>\$ 4,324,906</u>	<u>\$ 4,489,116</u>	<u>\$ 4,568,099</u>	<u>\$ 5,075,810</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ 36,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,073
Restricted, reported in:										
Special revenue funds	97,556	97,505	309,758	811,859	1,050,701	1,525,267	1,733,634	1,968,638	2,085,145	1,801,120
Capital projects funds	1,377,476	3,148,784	4,307,741	5,134,504 ⁽³⁾	4,155,587 ⁽⁴⁾	2,719,112 ⁽⁵⁾	659,823 ⁽⁷⁾	1,267,013	16,010,056 ⁽⁸⁾	7,291,884 ⁽⁹⁾
Debt service fund	-	-	-	-	-	-	-	-	361,975	279,908
Unassigned, reported in:										
Special revenue funds	(61,469)	(66,491)	(27,932)	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,413,563</u>	<u>\$ 3,179,798</u>	<u>\$ 4,626,246</u>	<u>\$ 5,946,363</u>	<u>\$ 5,206,288</u>	<u>\$ 4,244,379</u>	<u>\$ 2,393,457</u>	<u>\$ 3,235,651</u>	<u>\$ 18,457,176</u>	<u>\$ 9,380,985</u>
Total all governmental funds	<u>\$ 5,433,602</u>	<u>\$ 6,573,381</u>	<u>\$ 6,441,933</u>	<u>\$ 8,137,656</u>	<u>\$ 7,808,384</u>	<u>\$ 7,821,158</u>	<u>\$ 6,718,363</u>	<u>\$ 7,724,767</u>	<u>\$ 23,025,275</u>	<u>\$ 14,456,795</u>

Note: GASB 54 was implemented during fiscal year 2011.

- (1) The decrease from the prior period is due to decrease in advances from General Fund to other funds.
- (2) See explanation at (1) above.
- (3) The increase from prior period is due to increased SPLOST funds.
- (4) The decrease from prior period is due to increased capital projects.
- (5) The decrease from prior period is due to increased capital projects.
- (6) The increase from prior period is due to increased property tax revenues.
- (7) The decrease from prior period is due to increased capital projects.
- (8) The increase from prior period is due to \$13 million bond proceeds restricted for construction of City's municipal complex.
- (9) The decrease is mainly due to spending of bond proceeds on the new City Hall complex in fiscal year 2020.

City of Conyers, Georgia

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 9,881,737	\$ 9,835,558	\$ 9,583,462	\$ 11,211,596 ⁽⁶⁾	\$ 11,315,333	\$ 11,547,333	\$ 13,333,239 ⁽¹⁰⁾	\$ 13,387,922	\$ 15,009,142 ⁽¹⁵⁾	\$ 15,862,724
Licenses, permits and fees	100,896	112,756	169,120	201,353	183,216	242,662	212,993	454,397	454,500	1,082,028
Fines and forfeitures	1,102,267	1,249,661	1,312,721	1,561,740	1,255,342	1,289,690	1,335,367	1,724,013	1,420,358	1,500,130
Charges for services	952,807	933,455	1,041,309	1,159,497	1,214,686	1,238,825	1,160,448	1,103,903	1,261,398	1,069,535
GIHP Revenue	1,155,305	1,184,757	1,018,126	1,238,151	1,152,913	1,167,428	1,211,211	985,691	1,021,987	765,063
Other revenue	432,515	533,367	426,316	550,310	577,836	684,927	643,007	686,377	1,138,693	948,752
Intergovernmental	1,665,259	2,454,278	2,299,399	2,336,674	2,484,858	2,488,630	3,002,494	4,537,115 ⁽¹²⁾	5,922,029	3,974,825
Total revenues	\$ 15,290,786	\$ 16,303,832	\$ 15,850,453	\$ 18,259,321	\$ 18,184,184	\$ 18,659,495	\$ 20,898,759	\$ 22,879,418	\$ 26,228,107	\$ 25,203,057
Expenditures										
General government	\$ 3,996,680	\$ 4,118,863	\$ 3,734,950	\$ 3,918,365	\$ 4,066,131	\$ 3,939,216	\$ 4,287,544	\$ 4,491,732	\$ 5,103,753	\$ 5,280,596
Public safety	5,722,335	5,887,296	5,899,125	5,945,499	5,944,956	6,198,922	7,159,741	7,574,635	8,518,049	8,980,574
Public works	1,903,295	1,700,729	1,465,243	1,574,561	1,609,048	1,681,394	1,955,445	2,478,632 ⁽¹³⁾	2,226,472	2,681,073
Cultural/Recreation	2,640,609	2,400,442	2,272,731	2,227,377	2,459,656	2,365,936	2,556,518	2,887,739	2,912,720	2,562,889
Capital outlay	3,264,664	546,870 ⁽¹¹⁾	955,955 ⁽²⁾	1,454,400	3,432,411 ⁽⁶⁾	6,413,844 ⁽⁸⁾	4,347,382 ⁽¹¹⁾	2,793,073 ⁽¹⁴⁾	3,994,862	12,849,620 ⁽¹⁸⁾
Debt service:										
Bond issuance costs	-	-	-	-	-	-	-	-	291,444	-
Principal	1,647,244	\$ 571,629	\$ 503,144	529,708	517,678	555,071	564,588	574,130	583,832	1,281,981
Interest	348,700	\$ 294,189	\$ 275,774	244,096	213,678	233,592	224,507	213,934	526,787	726,438
Total expenditures	\$ 19,523,527	\$ 15,520,018	\$ 15,106,922	\$ 15,894,006	\$ 18,243,558	\$ 21,387,975	\$ 21,095,725	\$ 21,013,875	\$ 24,157,919	\$ 34,363,171
Excess (deficiency) of revenues over (under) expenditures	\$ (4,232,741)	\$ 783,814	\$ 743,531	\$ 2,365,315	\$ (59,374)	\$ (2,728,480)	\$ (196,966)	\$ 1,865,543	\$ 2,070,188	\$ (9,160,114)

(Continued)

City of Conyers, Georgia

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing Sources (uses)										
Proceeds from capital leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,871,321 ⁽⁹⁾	\$ -	\$ -	\$ -	\$ 1,069,352
General obligation bonds issued	-	-	-	-	-	-	-	-	13,000,000 ⁽¹⁶⁾	-
Premium on general obligation bonds issued	-	-	-	-	-	-	-	-	801,218	-
Sale of capital assets	23,695	346,062	16,312 ⁽³⁾	15,306	27,719	2,027	55	13,403	14,674	8,962
Transfers in	672,028	360,784	397,651	366,126	262,747	547,139	312,274	450,891	1,223,808 ⁽¹⁷⁾	1,327,613
Transfers out	(619,371)	(350,881)	(1,288,942) ⁽⁴⁾	(1,051,024)	(560,364) ⁽⁷⁾	(679,233)	(1,218,158)	(1,323,433)	(1,809,380)	(1,814,293)
Total other financing sources (uses)	\$ 76,352	\$ 355,965	\$ (874,979)	\$ (669,592)	\$ (269,898)	\$ 2,741,254	\$ (905,829)	\$ (859,139)	\$ 13,230,320	\$ 591,634
Net change in fund balances	\$ (4,156,389)	\$ 1,139,779	\$ (131,448)	\$ 1,695,723	\$ (329,272)	\$ 12,774	\$ (1,102,795)	\$ 1,006,404	\$ 15,300,508	\$ (8,568,480)
Debt service as a percentage of noncapital expenditures	12.26%	5.85%	5.42%	5.34%	4.98%	5.39%	4.72%	4.51%	6.15%	10.21%

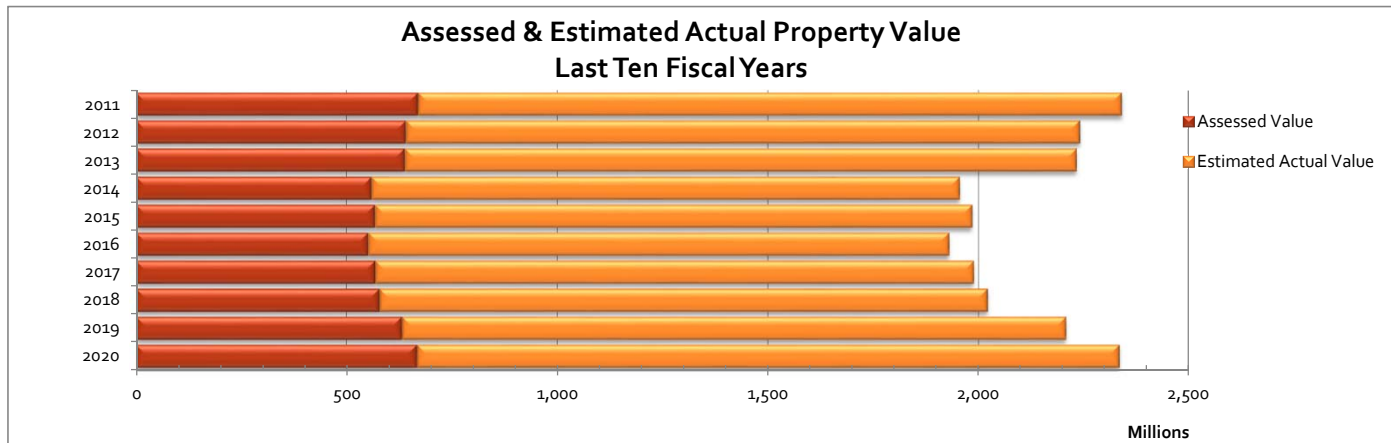
- (1) The decrease from prior period is due to less construction in current fiscal year.
- (2) The increase from prior period is mainly due to purchase of police vehicles that cost approximately \$432K.
- (3) The decrease from prior period is due to the sell of land for \$300K in FY2012.
- (4) The increase from prior period is due to transfers out from General Fund to other funds to help reduce deficits.
- (5) The increase from prior period is due to the increase in tax millage rate for FY 2014.
- (6) The increase from prior period is mainly due to the purchase of new police cars and communication tower downpayment of \$700K.
- (7) The decrease from prior period is due to less transfers out to other funds.
- (8) The increase from prior period is due to construction of communication towers that cost approximately \$3.7 million.
- (9) The increase from prior period is due to capital lease to finance communications towers (see 14 above).
- (10) The increase from prior period is due to increased tax millage rate in FY 17.
- (11) The decrease is due to fewer projects (see 14 above).
- (12) The increase from prior period is mainly due to the increase in SPLOST proceeds.
- (13) The increase from prior period is mainly due to increase in salaries and benefits and purchase of equipment.
- (14) The decrease is due to fewer projects.
- (15) The increase is mainly due to 1.3 mill ad valorem tax to pay debt service on general obligation bonds issued in FY 2019.
- (16) The increase is due to \$13 million general obligation bonds issued in FY 2019.
- (17) The increase is due to \$700K transfer into the debt service fund for the payment of principal and interest on long-term debt.
- (18) The increase is due to construction of the new City Hall complex.

City of Conyers, Georgia

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year (1)	Real and Personal Property		Motor Vehicle & Mobile Home		Total Direct Tax Rate	Total		Ratio of Assessed Value to Total
	Assessed Value	Value	Assessed Value	Value		Assessed Value	Value	
2011	\$645,223,736	\$1,613,059,340	\$23,161,578	\$57,903,945	9.4	\$668,385,314	\$1,670,963,285	40%
2012	\$617,100,007	\$1,542,750,018	\$22,651,936	\$56,629,840	9.9	\$639,751,943	\$1,599,379,858	40%
2013	\$614,673,492	\$1,536,683,730	\$23,054,436	\$57,636,090	9.9	\$637,727,928	\$1,594,319,820	40%
2014	\$528,255,331	\$1,320,638,328	\$29,808,960	\$74,522,400	13.85	\$558,064,291	\$1,395,160,728	40%
2015	\$537,203,431	\$1,343,008,578	\$29,304,340	\$73,260,850	13.62	\$566,507,771	\$1,416,269,428	40%
2016	\$537,596,144	\$1,343,990,360	\$13,342,532	\$33,356,330	13.59	\$550,938,676	\$1,377,346,690	40%
2017	\$558,152,113	\$1,395,380,283	\$9,424,674	\$23,561,685	15.99	\$567,576,787	\$1,418,941,968	40%
2018	\$570,704,286	\$1,426,760,715	\$6,372,563	\$15,931,408	15.58	\$577,076,849	\$1,442,692,123	40%
2019	\$625,969,314	\$1,564,923,285	\$4,439,791	\$11,099,478	15.28	\$630,409,105	\$1,576,022,763	40%
2020	\$663,527,302	\$1,658,818,255	\$3,308,459	\$8,271,148	15.28	\$666,835,761	\$1,667,089,403	40%

Source: Rockdale County Tax Commissioner
(1) Fiscal Year Ended June 30th



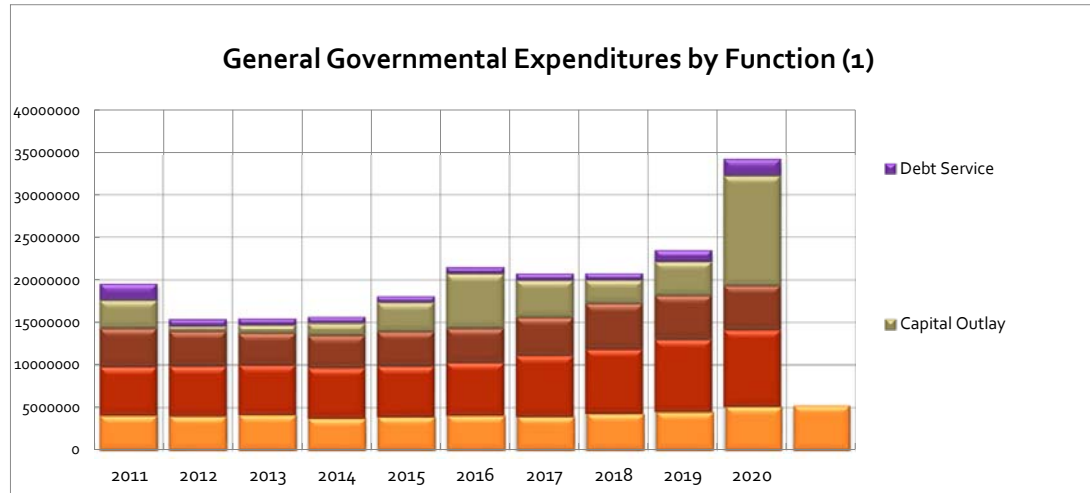
City of Conyers, Georgia

**General Governmental Expenditures by Function (1)
Last Ten Fiscal Years**

Fiscal Year (2)	General Government	Public Safety (3)	Planning & City Services (4)	Capital Outlay	Debt Service	Total
2011	\$3,996,680	\$5,722,335	\$4,543,904	\$3,264,664	\$1,995,944	\$19,523,527
2012	\$4,118,863	\$5,887,296	\$4,101,171	\$546,870	\$865,818	\$15,520,018
2013	\$3,734,950	\$5,899,125	\$3,737,974	\$955,955	\$778,918	\$15,106,922
2014	\$3,918,365	\$5,945,499	\$3,801,938	\$1,454,400	\$773,804	\$15,894,006
2015	\$4,066,131	\$5,944,956	\$4,068,704	\$3,432,411	\$731,356	\$18,243,558
2016	\$3,939,216	\$6,198,922	\$4,047,330	\$6,413,844	\$788,663	\$21,387,975
2017	\$4,287,544	\$7,159,741	\$4,511,963	\$4,347,382	\$789,095	\$21,095,725
2018	\$4,491,732	\$7,574,635	\$5,366,371	\$2,793,073	\$788,064	\$21,013,875
2019	\$5,103,753	\$8,518,049	\$5,139,192	\$3,994,862	\$1,402,063	\$24,157,919
2020	\$5,280,596	\$8,980,574	\$5,243,962	\$12,849,620	\$2,008,419	\$34,363,171

Source: Audited Financial Statements

- (1) Includes General Fund, Special Revenue Funds, and Capital Projects Fund
- (2) Fiscal Year Ended June 30th
- (3) Public Safety Includes Communications
- (4) Planning & City Services includes Public Works and Cultural/Recreation



City of Conyers, Georgia

**General Governmental Revenues by Source (1)
Last Ten Fiscal Years**

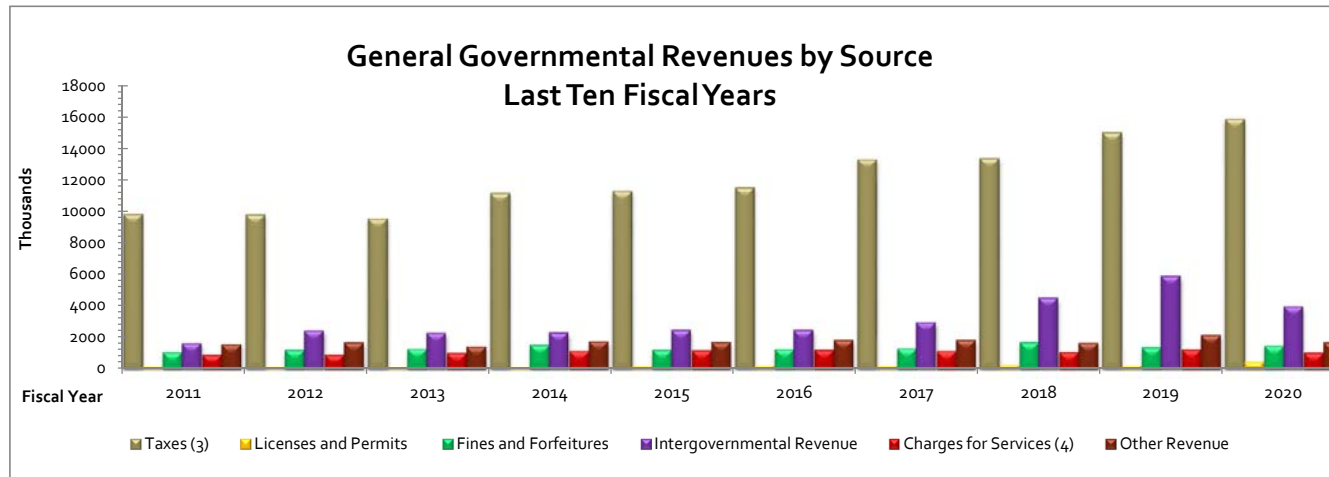
Fiscal Year (2)	Taxes (3)	Licenses and Permits	Fines and Forfeitures	Intergovernmental Revenue	Charges for Services (4)	Other Revenue	Total
2011	\$9,881,737	\$100,896	\$1,102,267	\$1,665,259	\$952,807	\$1,587,820	\$15,290,786
2012	\$9,835,558	\$112,756	\$1,249,661	\$2,454,278	\$933,455	\$1,718,124	\$16,303,832
2013	\$9,583,462	\$169,120	\$1,312,721	\$2,299,399	\$1,041,309	\$1,444,442	\$15,850,453
2014	\$11,211,596	\$201,353	\$1,561,740	\$2,336,674	\$1,159,497	\$1,788,461	\$18,259,321
2015	\$11,315,333	\$183,216	\$1,255,342	\$2,484,858	\$1,214,686	\$1,730,749	\$18,184,184
2016	\$11,547,333	\$242,662	\$1,289,690	\$2,488,630	\$1,238,825	\$1,852,355	\$18,659,495
2017	\$13,333,239	\$212,993	\$1,335,367	\$3,002,494	\$1,160,448	\$1,854,218	\$20,898,759
2018	\$13,387,922	\$454,397	\$1,724,013	\$4,537,115	\$1,103,903	\$1,672,068	\$22,879,418
2019	\$15,009,142	\$454,500	\$1,420,358	\$5,922,029	\$1,261,398	\$2,160,680	\$26,228,107
2020	\$15,862,724	\$1,082,028	\$1,500,130	\$3,974,825	\$1,069,535	\$1,713,815	\$25,203,057

(1) Includes General Fund, Special Revenue Funds, and Capital Projects Fund

(2) Fiscal Year Ended June 30th

(3) Occupational taxes are included in taxes as regulated by the new GA Uniform Chart of Accts.

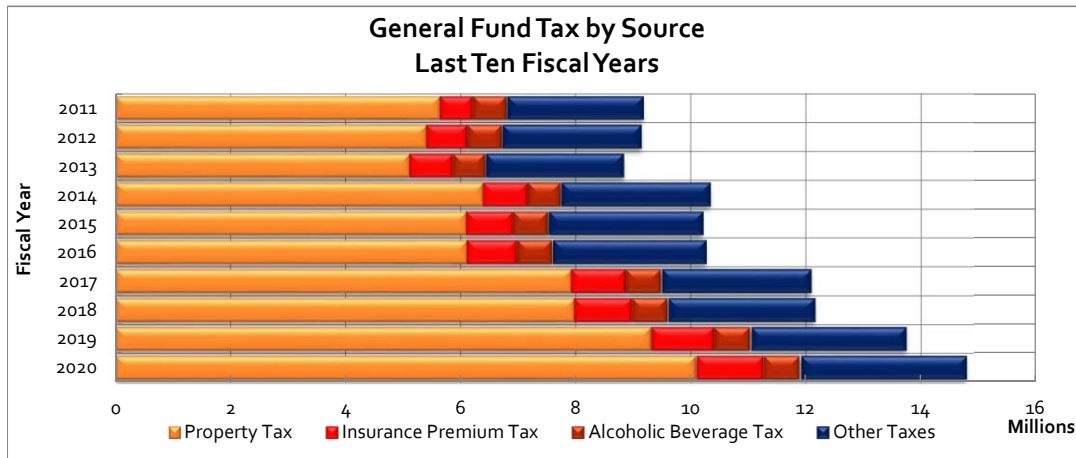
(4) Prior to 2004, charges for services included sanitation fees.



City of Conyers, Georgia
General Fund Tax Revenue by Source
Last Ten Fiscal Years

<u>Fiscal Year (1)</u>	<u>Property Tax</u>	<u>Insurance Premium Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Other Taxes</u>	<u>Total</u>
2011	\$5,628,743	\$575,408	\$593,498	\$2,363,908	\$9,161,557
2012	\$5,397,271	\$712,709	\$603,568	\$2,411,034	\$9,124,582
2013	\$5,103,254	\$757,016	\$565,363	\$2,391,798	\$8,817,431
2014	\$6,376,551	\$783,818	\$570,520	\$2,586,382	\$10,317,271
2015	\$6,089,015	\$819,539	\$605,538	\$2,676,702	\$10,190,794
2016	\$6,096,343	\$875,543	\$614,276	\$2,663,550	\$10,249,712
2017	\$7,910,146	\$948,383	\$613,295	\$2,589,468	\$12,061,292
2018	\$7,961,619	\$1,009,941	\$613,109	\$2,544,385	\$12,129,054
2019	\$9,306,460	\$1,089,029	\$626,215	\$2,705,614	\$13,727,318
2020	\$10,093,699	\$1,160,370	\$625,864	\$2,907,901	\$14,787,834

(1) Fiscal Year Ended June 30th
Chart of Accounts



City of Conyers, Georgia
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1000 OF ASSESSED VALUE)
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City of Conyers										
General obligation bonds	-	-	-	-	-	-	-	-	1.30	1.70
Maintenance and operations	9.41	9.90	9.90	13.85	13.62	13.59	15.99	15.58	15.28	15.28
Total City of Conyers(1)	<u>9.41</u>	<u>9.90</u>	<u>9.90</u>	<u>13.85</u>	<u>13.62</u>	<u>13.59</u>	<u>15.99</u>	<u>15.58</u>	<u>16.58</u>	<u>16.98</u>
Rockdale County:										
Maintenance and Operations	16.91	16.91	20.70	20.24	20.19	20.19	20.19	20.19	20.19	18.01
Debt service	0.24	0.24	0.31	0.31	0.00	0.00	0.00	0.00	0.00	0.00
Total Rockdale County (2)	<u>17.15</u>	<u>17.15</u>	<u>21.01</u>	<u>20.55</u>	<u>20.19</u>	<u>20.19</u>	<u>20.19</u>	<u>20.19</u>	<u>20.19</u>	<u>18.01</u>
Rockdale County Board of Education										
Maintenance and operations	24.50	24.50	26.00	25.39	25.32	25.32	25.32	24.90	24.70	24.60
Debt service	-	-	-	-	-	-	-	-	-	-
Total Rockdale County Board of Education (2)	<u>24.50</u>	<u>24.50</u>	<u>26.00</u>	<u>25.39</u>	<u>25.32</u>	<u>25.32</u>	<u>25.32</u>	<u>24.90</u>	<u>24.70</u>	<u>24.60</u>
State of Georgia (2)	<u>0.25</u>	<u>0.25</u>	<u>0.20</u>	<u>0.15</u>	<u>0.10</u>	<u>0.05</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total	<u>51.31</u>	<u>51.80</u>	<u>57.11</u>	<u>59.94</u>	<u>59.23</u>	<u>59.15</u>	<u>61.50</u>	<u>60.67</u>	<u>61.47</u>	<u>59.59</u>

(1) Fiscal Year Ended June 30th

(2) Source: Rockdale County Tax Commissioner

City of Conyers, Georgia

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>2020</u>			<u>Taxpayer</u>	<u>2011</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
HH Conyers Crossroads LLC	\$ 16,886,080	1	2.99%	Visy Paper Inc	\$ 29,268,276	1	4.83%
Pratt Paper (GA) LLC	\$ 16,352,565	2	2.90%	Rockdale Hospital LLC	\$ 21,828,655	2	3.60%
Hill Phoenix Inc	\$ 10,472,140	3	1.86%	NP/I&G Conyers Crossroads LLC	\$ 15,578,520	3	2.57%
Dorchester Apartments LP	\$ 9,602,298	4	1.70%	AT&T Communications	\$ 8,466,918	4	1.40%
Mar Almand Creek LLC	\$ 9,544,920	5	1.69%	EL-AD Keswick Village LLC	\$ 7,995,240	5	1.32%
Liochem Incorporated	\$ 8,342,699	6	1.48%	Liochem Incorporated	\$ 7,576,962	6	1.25%
AT&T Corp Communications	\$ 7,832,787	7	1.39%	Jet Corr Millugator	\$ 7,217,663	7	1.19%
EI-Ad Keswick Village LLC	\$ 7,404,000	8	1.31%	Almand Creek LLC	\$ 6,600,002	8	1.09%
Apexone Hightower Trail LLC	\$ 7,050,624	9	1.25%	Carlyle Centennial Lakeside LLC	\$ 6,040,000	9	1.00%
Bostik Inc	\$ 7,001,780	10	1.24%	IBG Conyers Commons LLC	\$ 5,588,040	10	0.92%
	<u>\$ 100,489,893</u>		<u>16.83%</u>		<u>\$116,160,276</u>		<u>19.16%</u>

Source: 2019 Tax Digest and 2010 Tax Digest

City of Conyers, Georgia

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	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	Percent of Levy
2011	5,703,661	5,628,743	98.7%	29,059	5,657,802	99.2%
2012	5,508,713	5,397,272	98.0%	29,099	5,426,371	98.5%
2013	5,397,323	5,103,254	94.6%	56,673	5,159,927	95.6%
2014	6,495,152	6,340,991	97.6%	7,671	6,348,662	97.7%
2015	6,434,365	6,294,943	97.8%	13,262	6,308,205	98.0%
2016	6,412,794	6,329,953	98.7%	11,496	6,341,449	98.9%
2017	7,975,110	7,910,146	99.2%	30,394	7,940,540	99.6%
2018	8,067,650	7,961,619	98.7%	15,389	7,977,008	98.9%
2019	8,619,251	8,419,876	97.7%	96,250	8,516,126	98.8%
2020	9,124,246	9,039,614	99.1%	81,954	9,121,568	100.0%

City of Conyers, Georgia

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business Type Activities				Percentage of Personal Income (1)	Per Capita (1)	Percentage of Estimated Actual Value of Taxable Property (2)
	Due to Rockdale County	2018 General Obligation Bonds	Commerce Center Revenue Refunding Bonds-2004	Certificates of Participation 1991 Series	Capital Leases	GMA Certificates of Participation Capital Lease Pool	Stormwater Revenue Bonds	Capital Leases	Total Primary Government			
2011	-	-	1,875,000	90,000	157,159	3,555,000	1,200,000	470,839	7,347,998	269.09%	85.84	-
2012	-	-	1,440,000	-	110,530	3,555,000	1,090,000	325,700	6,521,230	229.42%	75.74	-
2013	-	-	985,000	-	62,386	3,555,000	975,000	177,879	5,755,265	203.52%	66.89	-
2014	-	-	505,000	-	12,678	3,555,000	855,000	99,216	5,026,894	182.20%	57.83	-
2015	-	-	-	-	-	3,555,000	730,000	43,094	4,328,094	148.83%	49.32	-
2016	-	-	-	-	2,316,251	3,555,000	600,000	-	6,471,251	217.44%	72.83	-
2017	-	-	-	-	1,751,662	3,555,000	460,000	-	5,766,662	186.06%	64.54	-
2018	-	-	-	-	1,177,532	3,555,000	315,000	-	5,047,532	158.08%	55.72	-
2019	-	13,000,000	-	-	593,699	3,555,000	160,000	-	17,308,699	n/a	189.53	2.06%
2020	-	12,510,000	-	-	871,071	3,555,000	-	-	16,936,071	n/a	183.99	1.88%

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(2) Computed using the estimated actual taxable value amount from the "Assessed Value and Estimated Value of Taxable Property"

City of Conyers, Georgia

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2020**

Direct Debt

General Obligation Indebtedness of City	\$	12,510,000
Lease-Purchase Obligations of City ¹		4,426,071
		16,936,071
Total Direct Debt	\$	16,936,071

Overlapping Debt ²

Contract-Backed Indebtedness of Rockdale County ³	\$	-
Lease-Purchase Obligations of Rockdale County		895,129
		895,129
Total Overlapping Debt	\$	895,129

Total Direct and Overlapping Debt	\$	17,831,200
--	-----------	-------------------

¹ Lease-purchase indebtedness of the City is not a general obligation of the City to which its full faith and credit and taxing power are pledged, but is subject to and depends upon annual appropriations of general revenues.

² The percentage and amount of each overlapping entity's outstanding debt chargeable to property in the City is calculated by dividing the gross assessed valuation of property in the City by the gross assessed valuation of property in the overlapping entity multiplied by the outstanding debt balance. The City's assessed valuation constitutes approximately 22.9% of the assessed value of property in Rockdale County and the Rockdale County School District.

³ Contract-backed indebtedness of the County represents contractual obligations of the County to which its full faith and credit and taxing powers are pledged, but it is not counted against the County's debt limitation. The Rockdale County Water and Sewerage Authority Revenue Bonds, Series 2005, currently outstanding in the aggregate principal amount of \$72,695,000, the Conyers-Rockdale Big Haynes Impoundment Authority Revenue Bonds, Series 1998, and currently outstanding in the principal amount of \$2,600,000 are contract-backed indebtedness of the County, but are not included in this number because the County makes the payments from the net revenues of its water and sewerage system.

City of Conyers, Georgia

**Legal Debt Margin Information
Last Ten Fiscal Years**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 66,838,531	\$ 63,975,194	\$ 63,772,793	\$ 55,806,429	\$ 56,650,777	\$ 55,093,868	\$ 56,757,679	\$ 57,707,685	\$ 63,040,911	\$ 66,683,576
Total net debt applicable to limit	4,271,940	3,991,129	3,617,385	3,567,677	3,555,000	5,871,250	5,306,662	4,732,532	4,148,699	4,426,071
Legal debt margin	<u>\$ 62,566,591</u>	<u>\$ 59,984,065</u>	<u>\$ 60,155,408</u>	<u>\$ 52,238,752</u>	<u>\$ 53,095,777</u>	<u>\$ 49,222,618</u>	<u>\$ 51,451,017</u>	<u>\$ 52,975,153</u>	<u>\$ 58,892,212</u>	<u>\$ 62,257,505</u>
Total net debt applicable to the limit as a percentage of debt limit	6.39%	6.24%	5.67%	6.39%	6.28%	10.66%	9.35%	8.20%	6.58%	6.64%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	666,835,761
	66,683,576
Total capital lease liability	<u>4,426,071</u>
Legal debt margin	<u>\$ 62,257,505</u>

City of Conyers, Georgia

**Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population (2)	Personal Income (2)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (1)
2011	85,600(a)	\$2,730,734	\$31,840	15,727	11.6%
2012	85,820(a)	\$2,842,488	\$33,122	15,680	10.7%
2013	86,042(a)	\$2,827,838	\$32,534	15,930	9.6%
2014	86,919(a)	\$2,759,008	\$31,440	15,777	8.4%
2015	87,754(a)	\$2,908,071	\$32,790	15,877	6.1%
2016	88,856(a)	\$2,976,070	\$33,299	16,700	5.5%
2017	89,355(a)	\$3,099,273	\$34,317	16,621	5.2%
2018	90,594(a)	\$3,192,935	\$35,244	16,869	4.1%
2019	91,322(a)	n/a	n/a	16,623	3.8%
2020	92,050(a)	n/a	n/a	16,533	9.2%

Note: The information presented is for the City of Conyers and Rockdale County, Georgia.

(a) estimated
n/a-data not available

Sources:

- (1) Department of Labor
- (2) Georgia State Office of Planning & Budget/US Bureau of Economic Analysis
- (3) Georgia Department of Education

City of Conyers, Georgia

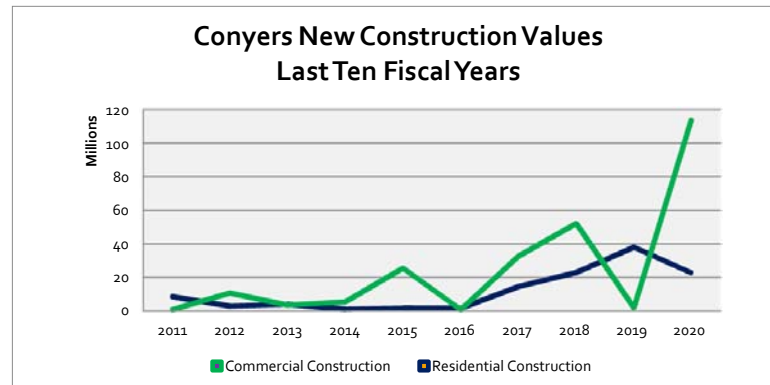
**PROPERTY VALUE and CONSTRUCTION
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Commercial Construction (1)</u>		<u>Residential Construction (1)</u>		<u>Real Property Value (2)</u>
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Units</u>	<u>Value</u>	
2011	3	\$555,000	27	\$8,462,106	\$514,331,365
2012	7	\$10,590,169	9	\$2,745,082	\$485,166,911
2013	6	\$3,363,988	13	\$3,786,683	\$472,312,937
2014	13	\$5,299,807	4	\$991,728	\$390,489,000
2015	16	\$25,448,822	13	\$1,563,068	\$396,372,693
2016	5	\$603,192	3	\$1,419,000	\$396,824,136
2017	9	\$32,640,000	75	\$14,455,764	\$407,909,717
2018	7	\$52,144,201	121	\$22,839,463	\$425,988,377
2019	2	\$1,750,000	170	\$37,988,397	\$476,370,205
2020	8	\$113,979,918	75	\$22,604,480	\$510,361,695

Sources:

(1) City of Conyers Planning & Development Office

(2) Rockdale County Tax Commissioner



City of Conyers, Georgia

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2020			Employer	2011		
	Employees (1)	Rank	Percentage of Total City Employment (2)		Employees	Rank	Percentage of Total City Employment
Rockdale County Public School System	2,250	1	5.58%	Rockdale County Public School System	2,400	1	15.79%
Piedmont Rockdale Hospital	1,400	2	3.47%	Rockdale Medical Center	1,250	2	8.23%
Acuity Brands Lighting Group	1,400	3	3.47%	Acuity Brands/Lithonia Lighting	650	3	4.28%
Rockdale County Government	1,100	4	2.73%	AT&T	650	4	4.28%
Hill-Phoenix	900	5	2.23%	Pratt Industries	600	5	3.95%
PRATT Industries	750	6	1.86%	Hill-Phoenix	600	6	3.95%
Warner Brothers Television	700	7	1.74%	Solo Cup Company	500	7	3.29%
AT&T	600	8	1.49%	Golden State Foods	500	8	3.29%
Golden State Foods	600	9	1.49%	Wal-mart Supercenter	400	9	2.63%
Southeast Connections LLC	500	10	1.24%	Bio-Lab	325	10	2.14%
Totals	10,200		25.30%		7,875		51.83%

Note: The information presented is for the City of Conyers and Rockdale County, Georgia.

(1) Source: Conyers-Rockdale Economic Development Council

(2) Source: Georgia Department of Labor

City of Conyers, Georgia

**Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years**

Function	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government										
Mayor and Council	6	6	6	6	6	6	6	6	6	6
City Manager's Office	3	3	3	3	3	3	3	3	3	3
Administration	9	9	8	8	8	9	9	9	9	10
E-Services	3	3	3	3	3	3	3	3	4	4
Conyers Security Alert	2	2	2	2	2	2	2	2	3	3
Vehicle maintenance	4	4	4	4	4	4	4	4	4	4
Public Safety										
Police										
Officers	62	65	64	65	67	69	70	70	73	75
Civilians	4	4	4	4	4	4	4	6	6	6
Court services	8	10	10	10	9	10	10	10	10	11
Communications	18	18	15	15	14	14	14	14	14	14
Public Works & Transportation										
Planning & Inspections	9	9	7	7	8	8	8	8	7	8
Landscape services	5	5	4	4	4	7	7	7	7	7
Infrastructure	9	9	9	9	7	9	9	10	10	10
Sanitation	14	14	13	11	9	5	5	5	4	4
Stormwater	4	4	4	5	4	4	4	4	6	6
Cultural and Recreation										
GIHP Administration	6	6	6	6	6	3	3	3	3	3
GIHP Maintenance	14	15	14	13	12	12	12	12	12	12
Public Relations & Tourism	7	7	6	7	7	10	10	9	11	11
Cherokee Run Golf Course	14	11	10	9	8	8	8	11	8	8
Total	<u>201</u>	<u>204</u>	<u>192</u>	<u>191</u>	<u>185</u>	<u>190</u>	<u>191</u>	<u>196</u>	<u>200</u>	<u>205</u>

** Cherokee Run Golf Course was a new department in fiscal year 2011.

Sources: Various City departments

City of Conyers, Georgia
Operating Indicators by Function
Last Ten Fiscal Years

Function	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government										
Tax bills generated	5,849	5,964	5,962	5,982	6,000	6,010	6,034	6,020	6,026	6,057
Number of liens processed	207	175	152	134	109	113	100	91	142	3
Building permits issued	87	91	120	100	113	88	110	120	298	173
New occupational tax	264	378	205	141	160	181	191	201	176	130
Police										
Physical arrests	2,044	2,110	2,117	2,159	2,043	2,100	2,135	1,960	2,067	1,585
Citations issued	6,705	8,146	7,631	7,873	6,082	7,089	6,450	4,918	5,996	7,125
Number of accidents reported	1,622	1,454	1,497	1,590	1,729	1,913	1,790	1,898	1,875	1,719
Number of incidents reported	3,318	3,535	3,387	3,432	3,161	2,989	3,100	2,920	3,008	2,364
Public Works & Transportation										
Traffic lights repaired	108	144	77	160	104	110	75	64	70	58
Potholes repaired	283	578	130	253	269	200	396	68	102	74
Tons of refuse collected	6,426	5,922	5,944	5,944	9,329	10,000	9,312	10,630	10,539	64,262
Miles of roads cleaned	100	84	110	120	130	130	936	800	800	815
Cultural and Recreation										
Number of events held	176	254	218	209	246	277	295	400	399	328

Note: Departments maintain statistical information on a fiscal year basis.

Sources: Various City departments

City of Conyers, Georgia
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Police										
Stations	1	1	2	2	2	2	2	2	2	2
Patrol units	59	49	51	65	65	65	65	70	78	78
Patrol zones	4	4	4	4	4	4	4	4	4	4
Public Works										
Streets (miles)	84.54	84.54	84.54	84.54	84.54	84.54	77 (1)	77	73	73
Traffic signals	13	13	13	13	13	13	12	12	12	12
Street lights	1,414	1,414	1,423	1,430	1,430	1,414	1,745 (2)	1,745	1,750	1,750
Culture and Recreation										
Parks and playgrounds	9	9	9	9	9	9	9	9	9	9
Community centers	1	1	1	1	1	1	1	1	1	1

(1) The decrease is due to the City using a new GIS audit system.

(2) The increase is due to the City using a new GIS audit system.

Sources: 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**

**To the Honorable Mayor and Members
of the City Council
Conyers, 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Conyers, 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 November 18, 2020.

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) as a basis for designing 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
November 18, 2020



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

**To the Honorable Mayor and Members
of the City Council
City of Conyers, Georgia**

Report on Compliance For Each Major Federal Program

We have audited City of Conyers, 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 each of the City's major federal programs for the year ended June 30, 2020. The City's major federal programs are 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 each of the City's major federal programs 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 each 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 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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
November 18, 2020

CITY OF CONYERS, GEORGIA

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

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Identification Number</u>	<u>Total Expenditures</u>
U.S. DEPARTMENT OF JUSTICE			
Direct Awards:			
Bullet Proof Vest Grant	16.607	2016-BU-BX-1608-3147	\$ 5,908
COPS Grant	16.710	2017-UM-WX-0008	192,679
DEA Equitable Sharing	16.922	GA1220100	<u>101,237</u>
Total U.S. Department of Justice			<u>299,824</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Georgia Department of Transportation			
Hardin O'Kelley Street Project	20.205	P.I. 0011640	<u>462,286</u>
Total U.S. Department of Transportation			<u>462,286</u>
			<u>\$ 762,110</u>

CITY OF CONYERS, GEORGIA

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

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Conyers, 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose not to use the 10% de minimis indirect cost rate for the year ended June 30, 2020.

NOTE 3. NON-CASH AWARDS

The City did not receive non-cash federal awards during the year ended June 30, 2020.

CITY OF CONYERS, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

SECTION I SUMMARY OF AUDITOR'S 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 No

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 No

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 the Uniform Guidance?

Yes No

Identification of major programs:

CFDA Number

20.205

Name of Federal Program or Cluster
U.S. Department of Transportation
Highway Planning and Construction Grant

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes No

CITY OF CONYERS, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

**SECTION II
FINANCIAL STATEMENT FINDINGS**

None Reported.

**SECTION III
FEDERAL AWARD FINDINGS AND RESPONSES**

None Reported.