CITY OF ALMA, GEORGIA

REPORT ON EXAMINATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

FINANCIAL SECTION
- **Independent Auditor's Report 1-3**
- **Management's Discussion and Analysis (Unaudited) 4-11**

- **Basic Financial Statements:**

  - **Government-wide Financial Statements**
    - **Statement of Net Position 12-13**
    - **Statement of Activities 14**

  - **Fund Financial Statements:**
    - **Balance Sheet – Governmental Funds 15**
    - **Reconciliation of the Governmental Funds Balance Sheet To the Statement of Net Position 16**
    - **Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds 17**
    - **Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities 18**
    - **Statement of Net Position – Proprietary Funds 19-20**
    - **Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund 21**
    - **Statement of Cash Flows – Proprietary Fund 22-23**

  - **Notes to Basic Financial Statements 24-45**

- **Required Supplementary Information: 46**

  - **Pensions and Employee Benefit Plans 47-48**

  - **General Fund-Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual 49**
  - **Major Special Revenue Funds – Schedule of Revenues, Expenditures, And Changes in Fund Balance – Budget and Actual 50-51**

- **Other Supplementary Information: 52**

  - **Non-Major Governmental Funds 53**
    - **Combining Balance Sheet – Non-major Governmental Funds 54-55**
    - **Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds 56-57**
    - **Individual Statements of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual 58-63**

- **Other Information: 64**

  - **Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds 65**

- **Reports Required By Government Auditing Standards 66**

  - **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* 67-68**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
Members of the City Council
City of Alma
Alma, Georgia 31510

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alma, Georgia as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the aggregate nonmajor governmental funds as of and for the year ended June 30, 2018, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information as well as the aggregate nonmajor governmental funds of the City of Alma, Georgia, as of June 30, 2018, 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.

Emphasis of a Matter – Financial Statement Revisions

Subsequent to the issuance of our report on these financial statements, we discovered that the EIP Loan Fund should have been reported as a major fund. The following pages have been revised: Page 15, Page 17, Page 51, Page 55, and Page 57. Also, note disclosures on pages 26 and 35 have been corrected to include detail information about EIP Loan Fund. Page 53 has been revised to remove EIP Loan Fund from the list of nonmajor special revenue funds. Page 6 of the Management Discussion and Analysis has been revised to add the EIP Loan fund to be included as a major fund.

The SPLOST schedule on page 65 was also revised and a footnote disclosure was added to reflect the correct original and current estimated cost for the SPLOST projects.

Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information on pages 4 through 11 and 46 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Alma, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds 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 Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 12, 2018, on our consideration of the City of Alma, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 of Alma, Georgia'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 of Alma, Georgia's internal control over financial reporting and compliance.

Respectfully submitted,

BYRT CPAs, LLC

BYRT CPAs, LLC
Waycross, GA
December 12, 2018
April 24, 2019, with respect to the "emphasis of a matter – financial statement revisions" on page 2, above.

CITY OF ALMA, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018
(UNAUDITED)

The discussion and analysis of the City of Alma's financial performance provides a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2018. It should be read in conjunction with the accompanying financial statements and footnotes that follow this report. The City of Alma is in its thirteenth year of reporting within the provisions of Governmental Accounting Standards Board 34 (GASB 34).

FINANCIAL HIGHLIGHTS

- **The City's net position totaled $11,086,159 for its governmental and business-type activities, a decrease of $276,751 over the previous fiscal year. Net position for governmental activities decreased $37,593 and business-type activities decreased $239,158.**

- **Change in net position, before prior period adjustments, for the governmental funds increased from ($38,456) to ($50,910). Change in net position, before prior period adjustments, for business-type activities increased from ($297,878) to ($245,515).**

- **The unrestricted net position totaled $162,765, an increase of $22,846, for the governmental activities and may be used to meet the government's ongoing obligation to citizens and creditors. The unrestricted net position of the business-type activities is $621,185, a decrease of $297,538, and may be used to meet the ongoing obligations of the business-type activities.**

- **As of June 30, 2018, the City of Alma's governmental funds reported combined ending fund balances of $2,663,432, a decrease of $13,097 in comparison with the prior fiscal year.**

- **At the end of the current fiscal year, unassigned fund balance for the general fund was $1,172,747 or 41% of the total general fund expenditures.**

- **The City's total debt decreased by $98,312 during the current fiscal year to $5,025,400.**

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serve as an introduction to the City of Alma's basic financial statements. The City of Alma's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and 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 Alma's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the City of Alma's assets and liabilities, with the difference between the two 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 Alma is improving or deteriorating. The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other nonfinancial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.), to assess the overall health or financial condition of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes). Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

The government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities).

In the Statement of Net Position and the Statement of Activities, the City is divided into three kinds of activities:

- **Governmental Activities - Most of the City's basic services are reported here, including the police, fire, parks and recreation, street department, and general administration. Property taxes, sales taxes and franchise fees finance most of these activities.**

- **Business type Activities - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system and solid waste system are reported here.**

- **Component Units - The City includes one separate legal entity in its report - Downtown Development Authority. Although legally separate, this component unit is important because the City is financially accountable for it.**

The government-wide financial statements can be found on pages 12-14 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The City's two kinds of funds - governmental and proprietary - utilize different accounting approaches.

- **Governmental funds - The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government wide statements, readers may better understand the long-term effect of the government's near term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Position and the Statement of**

Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The City of Alma maintains fifteen individual government funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for General fund, SPLOST 2012 Fund, and EIP Loan Fund, which are considered to be a major funds. Data from the other thirteen governmental funds are combined into a single, aggregated non-major fund presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual operating budget for its funds. A comparison of budget to actual results for major funds is provided to demonstrate compliance with these budgets. The basic governmental funds financial statements can be found on pages 15-18.

- **Proprietary funds - The City charges customers for the services it provides. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are identical to the business type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.**

  The City of Alma maintains two individual enterprise funds. The City uses enterprise funds to account for its water and sewer and solid waste. The 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 water and sewer and solid waste, both of which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 19-23 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 immediately following the basic financial statements on pages 24-45.

Other information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to the employees. This required supplementary information can be found on pages 46-48 of this report. Combining non-major funds statements referred to earlier can be found on pages 53-57 of this report.

THE CITY AS A WHOLE- Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. The City's combined net position was $11,086,159 as of June 30, 2018. This analysis focuses on the net position (Table 1) and changes in general revenues (Table 2) and significant expenses of the City's governmental and business-type activities. Net position decreased by $296,425 before prior period adjustments.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, land improvements, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to

provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Summary of Net Position
June 30, 2018

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	$ 3,025,650	$ 3,061,245	1,530,140	2,165,459	$ 4,555,790	$ 5,226,704
Capital Assets	4,095,004	4,040,780	9,471,163	9,365,846	13,566,167	13,406,626
Total Assets	$ 7,120,654	$ 7,102,025	$ 11,001,303	$ 11,531,305	$18,121,957	$18,633,330
Deferred Outflows of Resources	$ 244,709	$ 207,817	$ 76,270	$ 64,769	320,979	272,586
Long-term Liabilities						
Outstanding	$ 165,099	$ 18,689	$ 4,860,301	$ 5,105,023	$ 5,025,400	$ 5,123,712
Other Liabilities	1,482,547	1,623,179	552,870	614,717	2,035,417	2,237,896
Total Liabilities	$ 1,647,646	$ 1,641,868	$ 5,413,171	$ 5,719,740	$ 7,060,817	$ 7,361,608
Deferred Inflows of Resources	$ 225,634	$ 138,298	$ 70,326	$ 43,100	295,960	181,398
Net Position:						
Invested in Capital Assets,						
Net of Related Debt	$ 3,929,905	$ 4,022,091	$ 4,610,862	$ 4,260,823	$ 8,540,767	$ 8,282,914
Restricted	1,399,413	1,367,666	362,029	653,688	1,761,442	2,021,354
Unrestricted	162,765	139,919	621,185	918,723	783,950	1,058,641
Total Net Position	$ 5,492,083	$ 5,529,676	$ 5,594,076	$ 5,833,234	$11,086,159	$11,362,909

An additional portion of the City's net position (16%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position decreased by $274,691 to the amount of $783,950 and may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2018, the City is able to report positive balances in all three categories of net position for the government as a whole.

Governmental Activities: Governmental activities decreased the net position by $37,593 or 0.7% from $5,529,676 to $5,492,083. Net position invested in capital assets, net of related debt decreased by $92,186 or 2.2%. No unusual activity contributed to the decrease - see Capital Asset and debt sections for more details.

Business-type Activities: Net Position from business-type activities decreased by $239,158 or 4% from $5,833,234 to $5,594,076. Net position invested in capital assets, net of related debt increased by $350,039 or 8%. This increase was mostly a result of the meter change out program that was placed into service during the year.

Table 2
General Revenues

	2018	2017	Increase (Decrease)
Taxes	$ 1,782,645	$ 1,763,052	$ 19,593
Utility Franchise Fees	261,408	267,306	(5,898)
Interest Income	29,781	34,891	(5,110)
Total General Revenues	$ 2,073,834	$ 2,065,249	$ 8,585

Governmental and Business type activities decreased the City's net position by $296,425. The key elements of this decrease are as follows:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for Services	$ 402,610	$ 262,838	$ 1,384,068	$ 1,361,792	$ 1,786,678	$ 1,624,630
Operating Grants and Contributions	141,516	205,245			141,516	205,245
Capital Grants and Contributions	426,566	408,063			426,566	408,063
General Revenues:						
Taxes	1,782,645	1,763,052			1,782,645	1,763,052
Utility Franchise Fees	261,408	267,306			261,408	267,306
Other	67,221	180,689	69,732	37,560	136,953	218,249
Total Revenues	$ 3,081,966	$ 3,087,193	$ 1,453,800	$ 1,399,352	$ 4,535,766	$ 4,486,545
Expenses:						
General Government	$ 544,504	$ 374,575			$ 544,504	$ 374,575
Judicial	53,235	87,445			53,235	87,445
Public Safety	1,516,542	1,490,195			1,516,542	1,490,195
Public Works	783,536	804,817			783,536	804,817
Housing and Development	135,229	107,012			135,229	107,012
Community Development	167,222	330,847			167,222	330,847
Interest and fiscal Charges	2,608	758			2,608	758
Water and Sewer			1,356,873	1,382,905	1,356,874	1,382,905
Solid Waste			272,442	244,325	272,442	244,325
Total Expenses	$ 3,202,876	$ 3,195,649	$ 1,629,315	$ 1,627,230	$ 4,832,191	$ 4,822,879
Increase in Net Position Before Transfers	(120,910)	(108,456)	(175,515)	(227,878)	(296,425)	(336,334)
Transfers	70,000	70,000	(70,000)	(70,000)	-	-
Capital contributions	-	-	-	-	-	-
Increase in Net Position	(50,910)	(38,456)	(245,515)	(297,878)	(296,425)	(336,334)
Net Position, July 1	5,529,676	5,301,498	5,833,234	6,397,746	11,362,910	11,699,244
Prior Period Adjustment	13,317	266,634	6,357	(266,634)	19,674	-
Net Position, June 30	$ 5,492,083	$ 5,529,676	$ 5,594,076	$ 5,833,234	$ 11,086,159	$ 11,362,910

The most significant governmental expense for the City was in providing for public safety, which incurred expenses of $1,516,542. The components of public safety are police, fire, jail, dispatch, and animal control. Police, which accounted for the majority of public safety expenses, totaled to $1,153,418 of which $858,893 was incurred for salary and benefits. Fire, the second largest expense in public safety, accounted for $175,000, which is the amount the City has agreed to reimburse Bacon County for the City's share of the expenses. The second most significant governmental expense for the City was public works expense. The street department made up most of the public works expense, which totaled $433,104, of which $211,257 was incurred for salary and benefits.

Business-type Activities

- **Revenues (operating and non-operating) of the City's business-type activities were $1,453,800 for the fiscal year ending June 30, 2018. Expenses (operating and non-operating) for the City's business-type activities were $1,629,315 for the year, resulting in net decrease of $175,515. While net position decreased, the net decrease improved over the prior fiscal year. In the prior year, the billings had decreased due to a water meter change out program being implemented, including a billing mistake which occurred during this conversion. Continued increases are expected in the upcoming years.**

Capital Assets

At the end of the fiscal year 2018, the City had $13,566,166 invested in a broad range of capital assets, including police equipment, buildings, park facilities, roads, bridges, water and sewer treatment plant, water and sewer lines, and other infrastructure (See Table 4 below). This amount represents a net increase (including additions and deductions) of $159,540 or 1.1% over the prior fiscal year.

Table 4
Capital Assets at Year End
(Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land and Land Improvements	$ 347,773	$ 347,773	$ 1,135,948	$ 1,130,810	$ 1,483,721	$ 1,478,583
Construction in Progress	70,694	382,970	-	72,443	70,694	455,413
Buildings and Improvements	1,555,085	1,040,595	6,614,630	6,765,629	8,169,715	7,806,224
Machinery and Equipment	576,625	635,421	197,947	219,310	774,572	854,731
Infrastructure	1,544,826	1,634,021	1,522,638	1,177,654	3,067,464	2,811,675
Totals	$ 4,095,003	$ 4,040,780	$ 9,471,163	$ 9,365,846	$13,566,166	$13,406,626

Additional information on the City of Alma's capital assets can be found in note 3 on pages 32-33 of this report.

Major capital events during the fiscal year included the following:

The City obtained a capital lease to purchase five new police vehicles for $163,248. The lease will be paid back with SPLOST funds.

The City began a computer update and software conversion project during the year in the amount of $70,694 paid with SPLOST funds. This remains in Construction in Progress at June 30, 2018.

The City used SPLOST funds in the amount of $167,139 to make improvements to the theatre, consisting of an air conditioner unit and extensive roof repair.

Water and sewer fund completed a meter change out program during the year in the amount of $458,459.

Debt Administration

At year-end, the City had $5,025,400 in debt outstanding as compared to $5,123,712 at the end of the prior fiscal year, a decrease of 2% as shown in Table 5.

Table 5
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Notes Payable	$ -	$ 18,689	$ 4,860,301	$ 5,105,023	$ 4,860,301	$ 5,123,712
Capital Lease	165,099	-	-	-	165,099	-
Totals	$ 165,099	$ 18,689	$ 4,860,301	$ 5,105,023	$ 5,025,400	$ 5,123,712

The City entered into a capital lease with BB&T in the amount of $175,000 for the purchase of new police vehicles during the year ended June 30, 2018.

Additional information on the City of Alma's long-term debt can be found in Footnote 4 on page 34 of this report.

THE CITY'S FUNDS

At the close of the City's fiscal year on June 30, 2018, the governmental funds of the City reported a combined fund balance of $2,663,432. This ending balance includes a decrease in fund balance of $13,097 in the City's General Fund. There were several significant differences from the prior year that contributed to the General Fund's decrease. The City received approximately $45,000 less in contributions. While there were several major purchases, including the purchase of the five new police vehicles and major improvements to the theatre, which resulted in an increase in spending overall for those specific departments, most departments had a decrease in expenditures from the prior year.

General Fund Budgetary Highlights

For FY 2017-18, actual expenditures on a budgetary basis were $2,832,742 as compared to the budget amount of $2,682,000.

For FY 2017-18, actual revenues on a budgetary basis were $2,525,521 as compared to the budget amount of $2,493,100. Unassigned fund balance was used to cover budget shortfalls.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2019 budget, tax rates, and fees that will be charged for the business-type activities. Sales tax, Alma's second largest revenue source, increased by $25,857 and property taxes, the largest revenue source, increased by $144,068. These indicators were taken into account when adopting the General Fund budget for fiscal year 2019. The total 2018-19 general fund budget appropriation is $2,544,587, which represents a decrease from the 2017-18 amended budget. The General Fund's

largest single revenue source is property taxes. The property tax rate for FY 2019 is 11.536 mills. Of this tax rate, 100% is utilized for General Fund activities. The General Fund's portion of property tax revenue for FY 2019 is estimated to be $875,000. The City and County receive 1% of the sales tax collected. The City's portion of the sales tax collected is 32%. Sales tax revenue for FY 2019 is budgeted at $525,000.

One of the two largest 2019 revenue sources for the water and sewer fund is water charges, estimated at $500,000. The rate for FY 2019 is $7 per 1,000 gallons for the first 2,000 gallons and ranges in price from $2.35 to $2.80 for each 5,000 gallons thereafter. This incorporates the cost of raw water treatment, distribution and maintenance costs. The other largest revenue source for the water and sewer fund is sewer charges, estimated at $530,000. The sewer usage is charged at the same rates as water sales. The solid waste fund's largest revenue source is billing for trash collection, estimated at $260,000 for FY 2019.

CONTACTING THE CITY'S FINANCIAL MANANGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Manager's Office at the City of Alma, P. O. Box 429, Alma, GA 31510 or call (912) 632-8072.

CITY OF ALMA, GEORGIA
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and Cash Equivalents	$ 1,805,261	$ 900,447	$ 2,705,708	$ 15,892
Notes Receivable	845,941	-	845,941	-
Receivables				
Taxes	69,485	-	69,485	-
Trade Accounts	-	117,394	117,394	-
Accrued Interest	-	-	-	-
Other	56,399	-	56,399	-
Internal Balances	-	-	-	-
Due from Other Governments	76,427	-	76,427	-
Inventory of Supplies, at cost	-	46,607	46,607	-
Prepaid Expenses	90,836	28,980	119,816	-
Investments	81,301	74,683	155,984	-
Restricted Assets				
Capital Construction				
Cash and Cash Equivalents	-	69,765	69,765	-
Investments	-	292,264	292,264	-
Capital Assets				
Land	347,773	1,094,262	1,442,035	-
Land Improvements	-	54,048	54,048	-
Construction in Progress	70,694	-	70,694	-
Buildings and Improvements	3,380,153	7,922,735	11,302,888	-
Infrastructure	2,310,937	6,675,140	8,986,077	-
Machinery and Equipment	3,668,567	1,300,541	4,969,108	-
Accumulated Depreciation	(5,683,120)	(7,575,563)	(13,258,683)	-
Total Assets	$ 7,120,654	$ 11,001,303	$ 18,121,957	$ 15,892
Deferred Outflows of Resources	244,709	76,270	320,979	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 7,365,363	$ 11,077,573	$ 18,442,936	$ 15,892

See accompanying notes to basic financial statements.

CITY OF ALMA, GEORGIA
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Accounts Payable	$ 106,602	$ 49,772	$ 156,374	$ -
Accrued Expenses	7,951	1,907	9,858	-
Payable from Restricted Assets				
Accrued Interest	-	-	-	-
Revenue Bonds Payable, Current	-	-	-	-
Customer Deposits	-	74,878	74,878	-
Due to Other Governments	45	-	45	-
Non-current Liabilities				
Due Within One Year				
General Obligation Debt	-	-	-	-
Accrued Compensated Balances	-	-	-	-
Notes Payable	-	248,170	248,170	-
Capital Lease Payable	34,274	-	34,274	-
Net Pension Liability	1,367,949	426,313	1,794,262	-
Due in More Than One Year				
Notes Payable	-	4,612,131	4,612,131	-
Capital Lease Payable	130,825	-	130,825	-
General Obligation Debt	-	-	-	-
Accrued Compensated Absences	-	-	-	-
Revenue Bonds Payable	-	-	-	-
Total Liabilities	1,647,646	5,413,171	7,060,817	-
Deferred Inflows of Resources	225,634	70,326	295,960	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 1,873,280	$ 5,483,497	$ 7,356,777	$ -
NET POSITION				
Net Investment in Capital Assets	$ 3,929,905	$ 4,610,862	$ 8,540,767	$ -
Restricted for				
Capital Projects	135,299	362,029	497,328	-
Other Fund Activities	1,264,114	-	1,264,114	-
Unrestricted (Deficit)	162,765	621,185	783,950	15,892
Total Net Position	$ 5,492,083	$ 5,594,076	$ 11,086,159	$ 15,892
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 7,365,363	$ 11,077,573	$ 18,442,936	$ 15,892

See accompanying notes to basic financial statements.

CITY OF ALMA, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net(Expenses) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Total Component Units
Primary Government:								
Governmental Activities:								
General Government	$ 544,504	$ 93,785	$ -	$ 76,290	$ (374,429)	-	(374,429)	-
Judicial	53,235	-	-	-	(53,235)	-	(53,235)	
Public Safety	1,516,542	180,295	36,300	36,520	(1,263,427)	-	(1,263,427)	-
Public Works	783,536	600	62,016	128,775	(592,145)	-	(592,145)	-
Housing and Development	135,229	6,855	-	3,211	(125,163)	-	(125,163)	-
Community Development	167,222	121,075	43,200	181,770	178,823	-	178,823	-
Interest and fiscal Charges	2,608	-	-	-	(2,608)	-	(2,608)	-
Total Governmental Activities	$ 3,202,876	$ 402,610	$ 141,516	$ 426,566	$ (2,232,184)	$ -	$ (2,232,184)	$ -
Business-type Activities:								
Water and sewer	$ 1,356,873	$ 1,088,319	$ -	$ -	$ -	$ (268,554)	$ (268,554)	
Solid Waste	272,442	295,749	-	-	-	23,307	23,307	
Total Business-Type Activities	$ 1,629,315	$ 1,384,068	$ -	$ -	$ -	$ (245,247)	$ (245,247)	$ -
Total Primary Government	$ 4,832,191	$ 1,786,678	$ 141,516	$ 426,566	$ (2,232,184)	$ (245,247)	$ (2,477,431)	$ -
Downtown Development Authority, Inc								
Total Component Units	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
General Revenues:								
Taxes:								
Property Taxes					$ 988,306	$ -	$ 988,306	$ -
Sales Taxes					483,250	-	483,250	-
Utility franchise fees					261,408	-	261,408	-
Insurance Premium Taxes					230,753	-	230,753	-
Other Taxes					80,336	-	80,336	-
Interest					29,781	1,492	31,273	-
Other					37,440	68,240	105,680	-
Transfers(net)					70,000	(70,000)	-	-
Total general revenues and transfers					$ 2,181,274	$ (268)	$ 2,181,006	-
Change in net position					$ (50,910)	$ (245,515)	$ (296,425)	-
Net position at beginning of year					5,529,676	5,833,234	11,362,910	15,892
Prior period adjustment					13,317	6,357	19,674	-
Net position at end of year					$ 5,492,083	$ 5,594,076	$ 11,086,159	$ 15,892

See accompanying notes to basic financial statements.

CITY OF ALMA, GEORGIA
BALANCE SHEET
AS OF JUNE 30, 2018

	General	SPLOST 2012	EIP Loan Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 1,122,359	$ 104,332	$ 242,519	$ 336,051	$ 1,805,261
Note Receivable	-	-	466,837	379,104	845,941
Receivables (net of Allowance					
for uncollectibles)					
Taxes	66,758	-	-	2,727	69,485
Franchise Fees	-	-	-	-	-
Other	56,399	-	-	-	56,399
Accrued Interest	-	-	-	-	-
Investments	4,166	-	-	77,135	81,301
Due from Other Funds	436	-	-	-	436
Due from Other Governments	76,427	-	-	-	76,427
Prepaid Expenses	90,836	-	-	-	90,836
Inventory of Supplies, at cost	-	-	-	-	-
Total Assets	$ 1,417,381	$ 104,332	$ 709,356	$ 795,017	$ 3,026,086
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 104,311	$ -	$ -	$ 2,291	$ 106,602
Accrued Liabilities	7,473	-	-	478	7,951
Due to Other Funds	-	-	-	436	436
Due to Other Governments	-	-	-	45	45
Total Liabilities	$ 111,784	$ -	$ -	$ 3,250	$ 115,034
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	41,578	-	206,042	-	247,620
Total deferred inflows of resources	$ 41,578	$ -	$ 206,042	$ -	$ 247,620
Fund Balances					
Nonspendable	$ 91,272	$ -	$ -	$ -	$ 91,272
Restricted	-	104,332	503,314	680,380	1,288,026
Committed	-	-	-	-	-
Assigned	-	-	-	111,387	111,387
Unassigned	1,172,747	-	-	-	1,172,747
Total Fund Balances	$ 1,264,019	$ 104,332	$ 503,314	$ 791,767	$ 2,663,432
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 1,417,381	$ 104,332	$ 709,356	$ 795,017	$ 3,026,086

See accompanying notes to basic financial statements.

CITY OF ALMA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance per balance sheet	**2,663,432**
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of $5,683,120	**4,095,004**
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Property Taxes	**247,620**
Deferred Outflows of Resources related to pensions	**244,709**
	492,329
Other long-term liabilities are not payable in the current period and, therefore, are deferred in the funds	
Deferred Inflows or Resources related to pensions	**(225,634)**
	(225,634)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.	
Net Pension Liability	**(1,367,949)**
Capital Leases	**(165,099)**
	(1,533,048)
Net position of governmental activities	**5,492,083**

See accompanying notes to basic financial statements.

CITY OF ALMA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General	SPLOST 2012	EIP Loan Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes	$ 2,077,066	$ -	$ -	$ -	$ 2,077,066
Licenses and permits	100,640	-	-	-	100,640
Fines and forfeitures	107,290	-	-	14,425	121,715
Charges for services	59,180	-	-	-	59,180
Interest revenue	2	-	16,563	13,216	29,781
Intergovernmental revenues	100,287	374,748	-	30,968	506,003
Other	81,056	-	16,022	132,192	229,270
Total Revenues	$ 2,525,521	$ 374,748	$ 32,585	$ 190,801	$ 3,123,655
EXPENDITURES					
Current					
General Government	$ 531,566	$ 8,544	$ -	$ -	$ 540,110
Judicial	57,836	-	-	-	57,836
Public Safety	1,365,670	403	-	20,336	1,386,409
Public Works	507,380	94,074	-	-	601,454
Housing and Development	130,732	3,335	-	-	134,067
Community Development	21,890	-	-	116,805	138,695
Capital Outlay	205,915	299,385	-	-	505,300
Debt Service			-		
Principal Retirement	9,901	15,653	-	3,036	28,590
Interest and Fiscal Charges	1,852	-	-	756	2,608
Total Expenditures	$ 2,832,742	$ 421,394	$ -	$ 140,933	$ 3,395,069
Excess (deficiency) of revenues over (under) expenditures	$ (307,221)	$ (46,646)	$ 32,585	$ 49,868	$ (271,414)
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	$ 175,000	$ -	$ -	$ -	$ 175,000
Transfers in	74,060	-	-	-	74,060
Transfers out	-	-	-	(4,060)	(4,060)
Total Other Financing Sources and Uses	$ 249,060	$ -	$ -	$ (4,060)	$ 245,000
Net Change in Fund Balances	(58,161)	(46,646)	32,585	45,808	(26,414)
Fund Balances, July 1	1,308,863	150,978	470,729	745,959	2,676,529
Prior Period Adjustment	13,317	-	-	-	13,317
Fund Balances, June 30	$ 1,264,019	$ 104,332	$ 503,314	$ 791,767	$ 2,663,432

See accompanying notes to basic financial statements.

CITY OF ALMA, 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, 2018

Net change in fund balances-total governmental funds	$ (26,414)
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchase capitalized	505,300
Depreciation expense	(356,972)
	148,328
In the statement of activities, only the (gain) loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in the fund balance by the net book value of the assets sold:	
Book value of disposed assets	(254,291)
Accumulated depreciation on net assets sold	160,188
	(94,103)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Long-term receivables, net of deferred revenue	(41,688)
	(41,688)
Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	
Loan proceeds	(175,000)
Loan principal payments	28,590
	(146,410)
Some expenses 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.	
Pension Liability Adjustments	109,377
	109,377
Change in Net Position of Governmental Activities	$ (50,910)

See accompanying notes to basic financial statements.

CITY OF ALMA, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Business-type Activities Enterprise Funds		
	Water and Sewer	Solid Waste	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 768,597	$ 131,850	$ 900,447
Receivables (net of allowances for uncollectibles)			
Trade accounts	90,280	27,114	117,394
Accrued Interest	-	-	-
Unbilled trade accounts	-	-	-
Other	-	-	-
Due from other funds	-	44,397	44,397
Prepaid Insurance	23,664	5,316	28,980
Inventory of supplies, at cost	46,607	-	46,607
Investments	12,388	62,295	74,683
Total Current Assets	$ 941,536	$ 270,972	$ 1,212,508
Non-Current Assets			
Restricted Assets			
Capital construction investments			
Cash and cash equivalents	$ 69,765	$ -	$ 69,765
Investments	292,264	-	292,264
Total Restricted Assets	$ 362,029	$ -	$ 362,029
Capital Assets			
Land	$ 1,077,280	$ 16,982	$ 1,094,262
Land Improvements	54,048	-	54,048
Construction in Progress	-	-	-
Infrastructure	6,675,140	-	6,675,140
Buildings and Building Improvements	7,922,735	-	7,922,735
Machinery and equipment	731,735	568,806	1,300,541
Accumulated Depreciation	(7,140,617)	(434,946)	(7,575,563)
Total Capital Assets Net of Accumulated Depreciation	$ 9,320,321	$ 150,842	$ 9,471,163
Total Noncurrent Assets	9,682,350	150,842	9,833,192
Total Assets	$ 10,623,886	$ 421,814	$ 11,045,700
Deferred Outflows of Resources	69,268	7,002	76,270
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 10,693,154	$ 428,816	$ 11,121,970

See accompanying notes to basic financial statements.

CITY OF ALMA, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Business-type Activities Enterprise Funds		
	Water and Sewer	Solid Waste	Total
LIABILITIES			
Current Liabilities			
Accounts payable	$ 33,983	$ 15,789	$ 49,772
Accrued expenses	1,699	208	1,907
Due to other funds	44,397	-	44,397
Current portion of notes payable	248,170	-	248,170
Total Current Liabilities	$ 328,249	$ 15,997	$ 344,246
Current Liabilities Payable From Restricted Assets			
Customer deposits	$ 74,878	$ -	$ 74,878
Total Current Liabilities Payable From Restricted Assets	$ 74,878	$ -	$ 74,878
Total Current Liabilities	$ 403,127	$ 15,997	$ 419,124
Noncurrent Liabilities			
Notes payable	$ 4,612,131	$ -	$ 4,612,131
Capital lease payable	-	-	-
Net Pension Liability	387,205	39,108	426,313
Total Noncurrent Liabilities	$ 4,999,336	$ 39,108	$ 5,038,444
Total Liabilities	$ 5,402,463	$ 55,105	$ 5,457,568
Deferred Inflows of Resources	63,868	6,458	70,326
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 5,466,331	$ 61,563	$ 5,527,894
NET POSITION			
Net Investment in capital assets	$ 4,460,020	$ 150,842	$ 4,610,862
Restricted for capital projects	362,029	-	362,029
Unrestricted (Deficit)	404,774	216,411	621,185
Total Net Position	$ 5,226,823	$ 367,253	$ 5,594,076
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 10,693,154	$ 428,816	$ 11,121,970

See accompanying notes to basic financial statements.

CITY OF ALMA, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities Enterprise Funds		
	Water and Sewer	Solid Waste	Total
OPERATING REVENUES			
Water Billings	$ 510,086	$ -	$ 510,086
Sewer Billings	549,432	-	549,432
Water Connections	4,715	-	4,715
Sewer Connections	-	-	-
Grants	-	-	-
Miscellaneous	24,086	-	24,086
Solid Waste Fee	-	279,999	279,999
Franchise Fee	-	15,750	15,750
Total Operating Revenues	$ 1,088,319	$ 295,749	$ 1,384,068
EXPENSES			
Salaries and Wages	$ 245,688	$ 30,982	$ 276,670
Group Insurance	42,161	6,427	48,588
Payroll Taxes	18,672	2,371	21,043
Retirement	32,337	3,274	35,611
Workers Compensation	9,246	2,167	11,413
Professional Services	43,161	9,509	52,670
Repairs and Maintenance	115,139	2,344	117,483
Insurance	33,301	5,348	38,649
Communications	2,008	-	2,008
Advertising	1,781	48	1,829
Travel and Training	6,193	-	6,193
Books, Subscriptions, and Dues	9,983	-	9,983
Contracted Services	46,546	160,534	207,080
Operating Supplies	74,106	27,289	101,395
Office Supplies	7,771	332	8,103
Utilities	183,394	-	183,394
Gas, Oil, Fuel	10,574	4,935	15,509
Food	4,437	-	4,437
Small Equipment	9,457	-	9,457
Claims and Damages	1,724	-	1,724
Uniforms	1,494	123	1,617
Site Improvement	7,855	-	7,855
Depreciation	373,442	16,759	390,201
Bad Debt	6,499	-	6,499
Total Operating Expense	$ 1,286,969	$ 272,442	$ 1,559,411
Operating Income (Loss)	$ (198,650)	$ 23,307	$ (175,343)
Nonoperating Revenue (Expenses)			
Investment Interest Earned	$ 1,121	$ 371	$ 1,492
Income from Other Sources	64,125	4,115	68,240
Interest Expense	(69,904)	-	(69,904)
Reimbursement for damaged property	-	-	-
Gain(Loss) on Capital Asset Disposal	-	-	-
Total Nonoperating Revenue (Expense)	$ (4,658)	$ 4,486	$ (172)
Income (Loss) before Transfers	$ (203,308)	$ 27,793	$ (175,515)
Transfers In	-	-	-
Transfers Out	(45,000)	(25,000)	(70,000)
Change in Net Position	$ (248,308)	$ 2,793	$ (245,515)
Total Net Position, July 1	5,469,125	364,109	5,833,234
Prior Period Adjustment	6,006	351	6,357
Total Net Position, June 30	$ 5,226,823	$ 367,253	$ 5,594,076

See accompanying notes to basic financial statements

CITY OF ALMA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 1,098,315	$ 294,594	$ 1,392,909
Payments to suppliers	(566,189)	(210,565)	(776,754)
Payments to employees	(373,394)	(48,022)	(421,416)
Receipts of customer deposits	25,844	-	25,844
Refunds of customer deposits	(22,379)	-	(22,379)
Net cash provided (used) by operating activities	$ 162,197	$ 36,007	$ 198,204
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating subsidies and transfers to other funds	$ (45,000)	$ (25,000)	$ (70,000)
Income from other sources	64,125	4,115	68,240
Transfers to/from Other Funds	-	-	-
Net cash provided (used) by Noncapital Financing Activities	$ 19,125	$ (20,885)	$ (1,760)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	$ -	$ -	$ -
Purchases of capital assets	(495,518)	-	(495,518)
Principal paid on capital debt	(244,722)	-	(244,722)
Interest paid on capital debt	(69,904)	-	(69,904)
Proceeds from capital debt	-	-	-
Transfers to/from Other Funds	-	-	-
Net cash provided (used) by capital and related financing activities	$ (810,144)	$ -	$ (810,144)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	$ -	$ -	$ -
Purchase of investments	-	-	-
Interest and dividends	-	351	351
Net cash provided (used) by investing activities	$ -	$ 351	$ 351
Net increase (decrease) in cash and cash equivalents	$ (628,822)	$ 15,473	$ (613,349)
Balances-beginning of year	1,467,184	116,377	1,583,561
Balances-end of year	$ 838,362	$ 131,850	$ 970,212
Cash	$ 768,597	$ 131,850	$ 900,447
Restricted cash	69,765	-	69,765
Total cash and cash equivalents, end of year	$ 838,362	$ 131,850	$ 970,212

See accompanying notes to basic financial statements

CITY OF ALMA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ (198,650)	$ 23,307	$ (175,343)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation expense	373,442	16,759	390,201
Expenses paid by other funds, reported as transfers in	-	-	-
Bad Debt	-	-	-
Change in assets and liabilities			
Receivables, net	16,495	(1,155)	15,340
Other Receivables	-	-	-
Prepaid Insurance	2,798	(799)	1,999
Deferred Outflows	(10,443)	(1,058)	(11,501)
Inventories	6,123	-	6,123
Accounts and other payables	(16,186)	1,047	(15,139)
Customer deposits payable	3,465	-	3,465
Accrued expenses	(334)	(16)	(350)
Deferred Inflows	24,722	(4,582)	20,140
Net Pension Liability	(39,235)	2,504	(36,731)
Net cash provided by operating activities	$ 162,197	$ 36,007	$ 198,204

See accompanying notes to basic financial statements.

1. Summary of Significant Accounting Policies

The City of Alma, Georgia was incorporated in 1906. The City operates under a Mayor-Council-Manager form of government.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The more significant accounting policies of the City are described below.

A. Reporting Entity

The financial statements of the reporting entity include those of the City of Alma, Georgia (the primary government) and its component units.

In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14, The Financial Reporting Entity, the financial statements of the component unit have been included as a discretely presented component unit. The fiscal year end of the component unit is June 30, 2018, which is the same fiscal year end as the City of Alma, Georgia. Financial information of the component unit is reported in a column separate from the City's financial information to emphasize that it is legally separate from the City. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- **The organization is legally separate (can sue and be sued in its own name)**
- **The City holds the corporate powers of the organization**
- **The City appoints a voting majority of the organization's board**
- **The City is able to impose its will on the organization**
- **The organization has the potential to impose a financial benefit\burden on the City**
- **There is a fiscal dependency by the organization on the City**

Based on GASB criteria, The Downtown Development Authority qualifies as a discretely presented component unit.

Complete financial statements of the included component unit may be obtained from Kenny Wade, Chairman, City of Alma Downtown Development Authority, City Hall, Alma, Georgia 31510.

Related Organization - The City of Alma City Council appoints the members of the Alma Housing Authority board, but the City's accountability for this organization does not extend beyond making the appointments. Therefore based upon the criteria above, the Housing Authority of the City of Alma is a related organization.

B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements. The "doubling up" effect of internal service fund activity has been eliminated from the government-wide financial statements with the expenses shown in the various functions and programs on the Statement of Activities.

Amounts reported as 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 program and (2) grants and contributions that are restricted to meeting the operational and capital requirements of a particular function and program. Revenues that are not classified as program revenues, including all taxes and other items, are presented as general revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. **Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and**

2. **Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.**

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 government, except those required to be accounted for in another fund.**

- **The SPLOST Fund – 2012 is used to account for the special one-cent sales tax revenues (approved by Bacon County voters) that are specifically restricted to the "City Projects" listed in the resolution.**

- **The EIP Loan Fund is used to account for the collections of money loaned to business entities. The use of such loan collections are restricted in accordance with Federal guidelines.**

The City reports the following major enterprise funds:

- **The Water and Sewer Fund is used to account for all transactions involving the furnishing of water and sewer services to the citizens of Alma, Georgia.**

- **The Solid Waste Fund is used to account for all transactions involving the furnishing of solid waste services to the citizens of Alma, Georgia.**

Additionally, the city reports the following fund types:

Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Project Fund

The Capital Project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items which are not financed by Proprietary Funds.

Proprietary Fund Types:

Enterprise Funds

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing services to the general public on a continuing basis are financed through user charges.

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Position.

Proprietary funds distinguish operating revenues and expense from nonoperating items. Operating revenues and expense 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 Water and Sewer and Solid Waste enterprise funds are charges to customers for services and benefit fees. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item 2 below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. **All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.**

2. **The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.**

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received, as they are deemed immaterial.

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

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

D. Budgets and Budgetary Accounting

The City normally adopts annual budgets on the General Fund, Special Revenue Funds, Capital Projects Fund, and Enterprise Funds. The proposed budget is prepared by the City Manager and submitted to City Council. The City Council advertises the proposed budget and conducts public hearings on the proposed budget as required by local ordinance, state law, and federal program requirements. Subsequent to meeting the various requirements the City Council adopts the budget for the fiscal year. The annual budget for each fund is prepared in accordance with the basis of accounting utilized by that fund.

GASB Statement No. 34 requires that budgetary comparison statements for the General Fund and special revenue funds be presented as required supplementary information or as a basic financial statement. These statements must display original budget, amended budget and actual results (on a budgetary basis). For the year ended June 30, 2018, the City did not adopt annual budgets for EIP Loan Fund, UDGA Loan Fund, & PD-Safety Seat. The City of Alma did not amend its budget during the year ended June 30, 2018 for any of the special revenue funds.

The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

E. Encumbrances

The City does not use the encumbrance system of accounting.

F. Post-Employment Health Care Benefits

The Consolidated Omnibus Budget Reconciliation Act requires the City to provide healthcare benefits to eligible former employees and eligible dependents. There is no associated cost to the City under this program.

G. Inventories

Inventories consist primarily of supplies, valued at cost, which approximates market value. Cost is determined using a first-in, first-out method. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased.

H. Compensated Absences

After six months of employment, employees are given two weeks paid vacation each year. After completing ten years of service, the employees are given three weeks paid vacation each year. Paid vacation time must be taken each year and cannot be carried over to the following year. The City will pay the employee for one week vacation if the time is not taken. After six months of employment, sick leave accumulates at the rate of one day per month of employment. Up to one hundred thirty days of sick leave can be accumulated. The City has not accrued any accumulated vacation or sick leave in its financial statements. The amount to be paid from current resources is not significant.

I. Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

J. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1st. The City levies property taxes by September 15th of each year. The due date of these taxes is December 20th. Property taxes are collected for the City by the Bacon County Tax Commissioner and remitted to the City monthly. City property tax revenues are recorded when levied. An allowance for uncollectible taxes is established for delinquent taxes to the extent that their collectability is improbable.

K. Capital Assets

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

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

Buildings	**20-50 Years**
Water and Sewer system	**30-50 Years**
Infrastructure	**20-35 Years**
Machinery and Equipment	**5-10 Years**
Vehicles	**3-7 Years**
Treatment Plants	**40 Years**

The City is currently recording new infrastructure items as they are completed. The City is not required to retroactively report any other infrastructure assets and has therefore not done so.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and or balance sheet 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/expenditures) until then.

In addition to liabilities, the statement of financial position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balances 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.

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 finance committee or the City's finance director to assign fund balances.

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

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

- **Committed**
- **Assigned**
- **Unassigned**

Net Position – Net position represent the difference between assets and liabilities. 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 as described in the fund balance section above. All other net position is reported as unrestricted.

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

N. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. As such, actual results could differ from those estimates.

O. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, all short-term cash investments that are highly liquid (including restricted assets) are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and have original maturities of three months or less.

P. Prepaid Items

Certain payment to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

2. Investments

The City maintains separate investment accounts for each fund. The City's investments consist only of Certificates of Deposits which are carried at cost.

Investments	Maturities	Fair Value
Certificates of Deposit	8.3 months average	$ 448,438

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

Credit Risk. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Georgia or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The City's deposits, including certificates of deposit, were fully insured or collateralized as required by the state statutes at June 30, 2018. The City is allowed to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) negotiable certificate of deposits issued by any bank or trust company organized under the laws or any state of the United States and (3) any repurchase agreement organized under the laws of any state of the United States having a nationally recognized investment firm rating of A or higher. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk. The City places no limit on the amount the City may invest in any one issuer. The City invested only in certificates of deposits.

3. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance at Beginning of Year	Transfers and Additions	Transfers and Retirements	Balance at End of Year
Water and Sewer activities:				
Capital assets, not being depreciated:				
Land and Land Improvements	$ 1,123,928	$ 7,400	$ -	$ 1,131,328
Construction in progress	72,443	-	72,443	-
Total capital assets, not being depreciated	$ 1,196,371	$ 7,400	$ 72,443	$ 1,131,328
Capital assets, being depreciated:				
Buildings and improvements	$ 7,857,692	$ 65,043	$ -	$ 7,922,735
Infastructure	6,193,416	481,723	-	6,675,139
Machinery and Equipment	717,941	13,795	-	731,736
Total capital assets being depreciated	$ 14,769,049	$ 560,561	$ -	$ 15,329,610
Less accumulated depreciation for:				
Land Improvements	$ 10,100	$ 2,262	$ -	12,362
Buildings and improvements	1,092,063	216,042	-	1,308,105
Infastructure	5,015,762	136,740	-	5,152,502
Machinery and Equipment	649,250	18,398	-	667,648
Total accumulated depreciation	$ 6,767,175	$ 373,442	$ -	$ 7,140,617
Total capital assets, being depreciated, net	$ 8,001,874	$ 187,119	$ -	$ 8,188,993
Water and Sewer activities capital assets, net	$ 9,198,245	$ 194,519	$ 72,443	$ 9,320,321
Solid Waste:				
Capital assets, not being depreciated:				
Land and Land Improvements	$ 16,982	$ -	$ -	$ 16,982
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	$ 16,982	$ -	$ -	$ 16,982
Capital assets, being depreciated:				
Buildings and improvements	$ -	$ -	$ -	$ -
Machinery and equipment	568,806			568,806
Total capital assets being depreciated	$ 568,806	$ -	$ -	$ 568,806
Less accumulated depreciation for:				
Buildings and improvements	$ -	$ -	$ -	$ -
Machinery and equipment	418,187	16,759		434,946
Total accumulated depreciation	$ 418,187	$ 16,759	$ -	$ 434,946
Total capital assets, being depreciated, net	$ 150,619	$ (16,759)	$ -	$ 133,860
Solid Waste activities, capital assets, net	$ 167,601	$ (16,759)	$ -	$ 150,842

	Balance at Beginning of Year	Transfers and Additions	Transfers and Retirements	Balance at End of Year
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 347,773	$ -	$ -	$ 347,773
Construction in progress	382,970	70,694	382,970	70,694
Total capital assets, not being depreciated	$ 730,743	$ 70,694	$ 382,970	$ 418,467
Capital assets, being depreciated:				
Buildings	$ 2,808,169	$ 571,984	$ -	$ 3,380,153
Equipment	3,709,945	212,914	254,292	3,668,567
Infrastructure	2,278,259	32,678	-	2,310,937
Total capital assets being depreciated	$ 8,796,373	$ 817,576	$ 254,292	$ 9,359,657
Less accumulated depreciation for:				
Buildings	$ 1,767,574	$ 57,493	$ -	$ 1,825,067
Equipment	3,074,524	177,606	160,188	3,091,942
Infrastructure	644,238	121,873	-	766,111
Total accumulated depreciation	$ 5,486,336	$ 356,972	$ 160,188	$ 5,683,120
Total capital assets, being depreciated, net	$ 3,310,037	$ 460,604	$ 94,104	$ 3,676,537
Governmental activities capital assets, net	$ 4,040,780	$ 531,298	$ 477,074	$ 4,095,004

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

Governmental activities:	
Administrative	$ 17,958
Police Department	91,739
Code Enforcement	6,642
Animal Control	1,383
Streets	192,207
Shop Mechanic	10,526
Cemetery & Parks	6,808
Community Development	29,709
Total depreciation expense - governmental activities	$ 356,972
Business-type activities:	
Water and Sewer	$ 373,442
Solid Waste	16,759
Total depreciation expense - business-type activities	$ 390,201

4. Long Term Debt

General Long-Term Debt (Governmental Type)

General long-term debt balances and transactions for the year ended June 30, 2018 are as follows:

	Beginning Balance	Additions	Payments	Ending Balance
Note Payable-USDA	$ 18,689	$ -	$ 18,689	$ -
Capital Lease	-	175,000	9,901	165,099
	$ 18,689	$ 175,000	$ 28,590	$ 165,099

USDA Loan – Note payable for $23,000 at 3.25% payable $5,058.92 annually through October 2020. Total of remaining payments is $20,236, including $1,547 interest. Proceeds used for the purchase of a public safety vehicle. This was paid off during the audit year.

Police Car Capital Lease – On February 26, 2018, the City of Alma entered into a capital lease with BB&T for $175,000 at 4.33% payable $39,675 annually through February of 2023. Loan proceeds were used for the purchase of 5 new police vehicles. Loan principal was reduced in May of 2018 by the unused portion of the original lease amount, which reduced the final payment to $25,366 in 2023. Total remaining payments are $184,066, including $18,967 interest.

Debt of the Enterprise Fund (Business-Type)

Debt balances and transactions for the year ended June 30, 2018 are as follows:

	Beginning Balance	Additions	Payments	Ending Balance
Notes Payable-GEFA	$ 5,105,023	$ -	$ 244,722	$ 4,860,301
	$ 5,105,023	$ -	$ 244,722	$ 4,860,301

Water and Sewer Fund – On November 1, 2015 the City of Alma entered into a loan agreement with the Clean Water State Revolving Fund, administered by Georgia Environmental Finance Authority (GEFA) for $5,485,564 at 1.4% payable $26,218.81 monthly through November, 2035. Total of remaining payments is $5,479,731, including $619,430 interest.

Notes Payable:

	Governmental Activities			Business-type Activities		
Year Ending June 30	Principal	Interest	Total	Principal	Interest	Total
2019	34,274	5,401	39,675	248,170	66,456	314,626
2020	34,010	5,665	39,675	251,667	62,959	314,626
2021	35,483	4,192	39,675	255,213	59,413	314,626
2022	37,019	2,656	39,675	258,809	55,817	314,626
2023	24,313	1,053	25,366	262,455	52,171	314,626
2024-2035	-	-	-	3,583,987	322,614	3,906,601
	$ 165,099	$ 18,967	$ 184,066	$ 4,860,301	$ 619,430	$ 5,479,731

5. Fund Equity

Fund Balances:

Nonspendable – The following fund balances are nonspendable because they are allocated to:

General Fund:		
Prepaid Items		90,836
Short-term Interfund receivables		436
	$	91,272

Restricted – The following fund balances are restricted for:

Special Revenue Funds:		
SPLOST 2012 - used to account for capital projects financed with SPLOST funds		104,332
EIP Revolving Loan Fund - used to account for revolving loans issued to local businesses		503,314
Total Capital Projects Funds	$	607,646

Nonmajor – Special Revenue Funds and Capital Project Funds

SPLOST 2018 - used to account for capital projects financed with SPLOST funds	$	30,968
UDGA Loan Fund - used to account for revolving loans issued to local businesses		642,555
DCA Grant Fund - used to account for expenditures of DCA grants		6,857
Total	$	680,380

Assigned – The following fund balances are assigned to:

Special Revenue Funds:	
Bacon Theatre Fund - used to account for revenues and expenses pertaining to theatre functions	**8,892**
Police-Safety Seat - used to purchase child safety seats to be distributed to care givers who have a financial need	**927**
Police Dept. SI Fund - used to account for drug-related forfeitures for public safety expenditures	**4,124**
Police Dept. Community Fund - used to account for small grant for public safety expenditures	**585**
Alma Bacon Legislative cookout - used to account for donation received and expenses related to legislative functions	**9,754**
Innovative Training Fund - used to account for residual grant funds for projects to benefit low-income citizens	**79,299**
Your Hometown Fund - used to account for funds originating from hotel-motel tax collection and used for community development	**$ 7,806**
Total Special Revenue Funds	**$ 111,387**

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.

The following fund balances are unassigned:

General Fund	**$ 1,172,747**
Total Unassigned	**$ 1,172,747**

Net Position:

Net investment in capital assets reported on the government-wide statement of net position as of June 30, 2018 are as follows:

Net investment in capital assets:	Governmental Activities	Business-Type Activities	Component Unit
Cost of capital assets	$ 10,032,416	$ 17,046,726	$ -
Less accumulated depreciation	(5,879,294)	(7,575,563)	-
Book value	4,153,122	9,471,163	-
Less capital related debt	(165,099)	(4,860,301)	-
Invested in capital assets, net of related debt	$ 3,988,023	$ 4,610,862	$ -

6. Expenditures in Excess of Appropriations

The Georgia Statutes define the legal level of control at a minimum to be at the departmental level. The following funds reported expenditures/expenses over appropriations:

Fund	Appropriation	Expenditures	Over-Appropriation
General Fund:			
Mayor	20,700	21,834	1,134
Police	998,200	1,153,418	155,218
Streets	431,500	433,104	1,604
Debt Service - Principal and Interest	-	11,753	11,753
Police Dept. SI	10,000	16,834	6,834
Police Community Fund	1,000	2,694	1,694
Alma Bacon County Legislative Cookout	15,000	16,678	1,678

7. Contingencies

There were two cases against the City at June 30, 2018, in which the City attorney does not anticipate any adverse financial impact on the City as a result of these cases. In the opinion of City management, there were no unasserted claims or assessments that might have a material effect on the financial condition of the City. The City receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement by the Federal and State for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be significant.

8. IRC 457 Deferred Compensation Plans

The City maintains a deferred compensation plan created in accordance with Internal Revenue Code (IRS) Section 457, which is administered by Nationwide Retirement Solutions. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. An employee may elect to become a participant by executing a participation agreement and consenting to defer a portion of compensation by a reduction of salary of the annual deferral amount specified in the participation agreement. Contributions to

the participant's account currently must equal at least 7.5% of the Participant's Compensation, or such other minimum amount as shall be required for the Plan to be considered a retirement system. The City is not required to make employer contributions. All contribution and other requirements are established by City ordinance. For the year June 30, 2018, the City did not contribute to the plan. Due to the face that the city does not administer this plan, this plan is not included in the City's financial statements.

9. Risk Management

The City of Alma, Georgia 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 disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the City of Alma, Georgia is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City of Alma, Georgia 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 funds. The City's risk is limited to a $1,000 deductible per occurrence.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense. Settlement claims in the past year did not exceed the coverages.

10. Due From Other Governments

At June 30, 2018, the City was due the following amounts from other governmental units:

General Fund	
State of Georgia	**$ 76,427**
	$ 76,427

11. Interfund Transactions:

At June 30, 2018 the following interfund receivables and payables resulting from various interfund transactions are included in the fund financial statements:

Major Business-Type Funds		
Water and Sewer Fund		
Due to Solid Waste Fund	**$**	**(44,397)**
	$	**(44,397)**
Solid Waste Fund		
Due from Water and Sewer Fund		**44,397**
	$	**44,397**
Total Business-Type Funds	**$**	**-**
Major Governmental Funds		
General Fund		
Due from Hotel/Motel	**$**	**436**
	$	**436**
Nonmajor Governmental Funds		
Hotel/Motel Tax Fund		
Due to General Fund	**$**	**(436)**
Total Governmental Funds	**$**	**-**

In general, transfers are used to move revenues from the fund that collects the money to the fund that expends the money and use unrestricted revenues collected in a fund to provide operating advances to other funds in accordance with budgetary authorizations. The due to/from balances resulted from time lags between the dates transactions are recorded in the accounting system and payments between funds are made. For the year ended June 30, 2018, all due to/from balances were considered short term.

Transfers between funds during the year were as follows:

	Transfers Out	Transfers In
Major Governmental Funds:		
General Fund	**$ -**	**$ 4,060**
General Fund	**-**	**70,000**
Total Major Governmental Funds:	**$ -**	**$ 74,060**
Nonmajor Governmental Funds:		
Hotel/Motel Tax	**$ 4,060**	**$ -**
	$ 4,060	**$ -**
Major Enterprise Funds:		
Water and Sewer	**$ 45,000**	**$ -**
Solid Waste	**25,000**	**-**
	$ 70,000	**$ -**
Total All Funds	**$ 74,060**	**$ 74,060**

The transfers of $70,000 between the enterprise funds and the general funds are used to offset operating expenditures within the general fund. Transfers in the nonmajor governmental funds and the other major funds are used to offset operating expenditures.

12. Privatization of Solid Waste Collection

On July 18, 2017, the City of Alma, Georgia contracted with Southland Waste, Inc. to collect household and commercial trash for the City for a period of twenty years with the right to rebid the services at the end of each five-year period. Billing for the trash collection is done by the City, and the City remits to Southland Waste, Inc. its fee for services rendered. Southland Waste owns the residential wheeled carts. Southland Waste, Inc. also purchased from the City of Alma, Georgia the large commercial dumpsters and the collection trucks.

13. Sanitary Landfill

On April 8, 1994 the Alma Bacon County Sanitary Landfill was closed. Various state and federal laws and regulations require certain maintenance and monitoring to be performed on the site. Expenditures since that date are expensed as incurred. The annual cost of maintaining and monitoring the closed sanitary landfill is estimated to be $8,500. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. No liability has been recorded in the accounts of the City of Alma, Georgia for future costs.

14. Joint Venture

The City of Alma, Georgia, in connection with cities and counties in the eighteen county South Georgia area are members of the Southern Georgia Regional Commission (RC). Membership in an regional commission is automatic for each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The City paid annual dues of $4,445 to the Southern Regional Commission for the year ended June 30, 2018. The RC Board membership includes elected officials from member counties and cities and nonpublic appointed members. The county board members and the municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the county or municipality) and a minority resident to serve as non-public Board members from a county.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RCs as public agencies and instrumentalities of their members.

Georgia law also provides that the member governments are liable for any debts or obligations of an RC beyond its resources (O.C.G.A. 50-8-39.1).

Complete financial statements of the RC may be obtained from Southern Georgia Regional Commission, South Georgia Parkway, Waycross, GA 31503.

15. Hotel/Motel Tax

The City of Alma, Georgia levies a hotel/motel tax in accordance with the provisions of O.C.G.A. 48-13-51. The tax rate is 7% and is levied on a monthly basis. The City has entered into contracts with the Chamber of Commerce and Bacon Theatre, Inc. for the purpose of tourism promotion and the marketing and operation of a community theatre. O.C.G.A. requires that 28.58% of the

taxes collected be spent for community promotion, and 28.58% of the taxes collected be spent for the marketing and operation of a community theatre. During the fiscal year ended June 30, 2018 the City of Alma, Georgia collected $25,431 in hotel/motel taxes, and disbursed $21,317 to the Bacon Theatre, Inc. and the Chamber of Commerce, which represents 84% of the total taxes collected. The remainder of the taxes collected is retained by the City for administrative purposes.

16. Subsequent Events

The City has evaluated subsequent events through December 12, 2018, the date which the financial statements were available to be issued. No subsequent events came to our attention that are expected to have a material effect on the City's financial statements.

17. Tax Abatements

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures, the City is required to disclose certain information about tax abatements as defined in the Statement. For purposes of GASB Statement No. 77, a tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the City or the citizens of the City. The City has entered into such agreements. A description of each of the City's abatement programs where the City has promised to forgo taxes follows:

Titan Modular Systems, Inc.:

Bacon County Development Authority was created for the purpose of developing and promoting the public good and general welfare, industry, agriculture, commerce, natural resources, and vocational training, and to make plans for the coordination of such development, promotion, and expansion within its territorial limits, which includes the real property leased under a lease agreement to Titan Modular Systems, Inc. as of February 28, 2014. Bacon County Development Authority uses incentives to attract new industries and facilitate local expansions. The premises leased are owned by the Authority and under this lease Titan Modular Systems, Inc. will receive an ad valorem tax abatement for ten years from the effective year. The abatement is contingent upon Titan Modular Systems, Inc. maintaining an employment level average at or above 90% of the 100 jobs specified each year.

A summary of the taxes forgone on the City's abatement programs for the year ending June 30, 2018 follows:

Program	Tax Abated	Source	Amount
Titan Modular System Inc	Property Tax	Bacon County Dev Authority	$ 7,207

18. Pension and Employees Benefits Plans

Plan Description

The City of Alma, Georgia provides pension benefits for all of its full-time employees and elected officials through a noncontributory, defined benefit plan in the state-wide Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public retirement system. Benefit provisions and all other requirements are established by state statute and local

ordinance. The City has the right to establish and amend the benefit provisions of the plan. These amendments become effective once approved by the Board of Trustees of GMEBS. The Georgia Municipal Employees Benefit System issues a stand alone financial report and a copy of this report can be obtained from the Georgia Municipal Association, 201 Pryor Street, S.W., Atlanta, Georgia 30303.

Effective January 1, 2015, the Plan was amended to provide for immediate participation for full-time employees. The plan defines a full-time employee as one working at least 30 hours per week. Employees are fully vested after 10 years of service. Retirement benefits are 1.75% of final average earnings times years of credited service. Final average earnings are an average of the 5 highest consecutive years' earnings. Normal retirement is age 65 with 5 years of credited service.

Membership of the plan consisted of the following at January 1, 2018, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	45
Terminated vested participants not yet receiving benefits	20
Active vested participants	17
Nonvested participants	19
Total participants	101

The contributions from the City of Alma, Georgia to the plan are determined under the projected unit credit actuarial cost method. The period and related method for amortizing the initial unfunded actuarial accrued liability is 30 years from 1981 and the current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable are open for this plan year. The method used to determine the actuarial value of assets is to roll forward prior year's actuarial value with contributions, disbursements, and expected return on investments, plus 10% of the amount that market value of assets exceeds expected actuarial value of assets. The recommended contribution for the City of Alma, Georgia for the actuarial period valuation date as of January 1, 2017 was $293,323, which was 27.33% of expected covered payroll. The estimated minimum annual contribution is $178,725. The City paid 100% of the contribution billed monthly in the amount of $293,323 for the year ending June 30, 2018.

Net Pension Liability

The components of the net pension liability of the City at June 30, 2018 were as follows:

Total Pension Liability	$	5,734,345
Plan fiduciary net position		(3,940,083)
City's net pension liability	$	1,794,262
Plan fiduciary net position as a percentage of the total pension liability		68.71%

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

The total pension liability was determined by an actuarial valuation as of January 1, 2018. The following actuarial assumptions applied to all periods included in the measurement:

Inflation	**2.75%**
Projected Salary Increases	**2.75%**
Investment Rate of Return	**7.50%**

Mortality rates were based upon the RP-2000 Mortality Table, which contained sex-distinct and disabled rates.

The 7.50% 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. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimate of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the September 30, 2017 are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	**45%**	**6.71%**
International Equity	**20%**	**7.71%**
Real Estate	**10%**	**5.21%**
Global Fixed Income	**5%**	**3.36%**
Domestic Fixed Income	**20%**	**2.11%**
Cash	**0%**	**0.00%**
Total	**100.00%**	

Discount rate. **The discount rates used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made equal to the actuarial determined contribution rate. Based on this assumption, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.**

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at September 30, 2016*	$ 5,588,398	$ 3,584,492	$ 2,003,906
Changes for the year:			
Service cost	56,206	-	56,206
Interest	414,641	-	414,641
Differences between expected and actual experience	50,271	-	50,271
Contributions - employer	-	317,473	(317,473)
Contributions - employee	-	-	-
Net investment income	-	527,906	(527,906)
Benefit payments, including refunds of employee contributions	(476,382)	(476,382)	-
Administrative expense	-	(13,406)	13,406
Changes of assumption	101,211	-	101,211
Net changes	145,947	355,591	(209,644)
Balances at September 30, 2017**	$ 5,734,345	$ 3,940,083	$ 1,794,262

** Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2017 are used to measure TPL as of September 30, 2016. The balances as of September 30, 2016 constitute measurements of the NPL for the fiscal year ending June 30, 2017.*

*** Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2018 are used to measure TPL as of September 30, 2017. The balances as of September 30, 2017 constitute measurements of the NPL for the fiscal year ending June 30, 2018.*

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 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.50%), or 1% higher (8.50%) than the current rate.**

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
City's net pension liability	$ 2,385,775	$ 1,794,262	$ 1,294,127

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 long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2018.

Changes in Assumptions

Amounts reported for the fiscal year ended June 30, 2018 and later will reflect the following assumption changes based on the actuarial study conducted in September 2017:

- **The investment return assumption was decreased from 7.75% to 7.50%.**
- **The inflation assumption was decreased from 3.25% to 2.75%.**
- **The cost-of-living assumption was changed from 3.25% to 2.75%.**

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the City recognized pension expense of $149,847. At June 30, 2018, 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
Pension contributions subsequent to measurement date	$ 219,992	$ -
Differences between actual and expected experience	33,514	(85,507)
Changes in assumptions	67,474	-
Net differences between projected and actual earnings on plan investments.	-	(210,452)
Total	$ 320,980	$ (295,959)

$219,992 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows	Deferred Inflows
2019	50,494	139,879
2020	50,494	30,655
2021	-	74,068
2022	-	51,357
2023	-	-
Thereafter	-	-

Payable to the Pension Plan

At June 30, 2018, the City reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

19. Prior Period Adjustment

Net position – governmental activities and business-type activities at the beginning of the year ended June 30, 2018 have been adjusted to correct an error in recording a prepaid expense in the prior period. Had the error not been made, net position for the governmental activities would have increased $13,317, while net position for the business-type activities would have increased $6,357.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered part of the basic financial statements. Such information includes:

Pension and Employee Benefit Plans

Budgetary Comparison – General Fund

Budgetary Comparison – Major Special Revenue Funds & Capital Project Funds

CITY OF ALMA, GEORGIA
REQUIRED SUPPEMENTARY INFORMATION
JUNE 30, 2018

City of Alma, an Agent Multiple-Employer Defined Benefit Pension Plan
As of June 30, 2018
Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2018	2017	2016	2015
Total Pension Liability				
Service Cost	$ 56,206	$ 56,641	$ 100,255	$ 79,904
Interest	414,641	422,405	436,157	427,700
Differences between expected and actual experience	50,271	(94,112)	(216,545)	113,779
Benefit payments, including refunds of employee contributions	(476,382)	(493,859)	(500,743)	(505,039)
Other	101,211	-	-	(9,379)
Net change in total pension liability	145,947	(108,925)	(180,876)	106,965
Total pension liability - beginning	5,588,398	5,697,323	5,878,199	5,771,234
Total pension liability - ending (a)	$ 5,734,345	$ 5,588,398	$ 5,697,323	$ 5,878,199
Plan fiduciary net position				
Contributions - employer	$ 317,473	$ 376,677	$ 378,311	$ 345,874
Contributions - employee	-	-	-	-
Net investment income	527,906	367,698	43,616	362,672
Benefit payments	(476,382)	(493,859)	(500,743)	(505,039)
Administrative expense	(13,406)	(7,728)	(8,630)	(6,926)
Net change in plan fiduciary net position	355,591	242,788	(87,446)	196,581
Plan fiduciary net position - beginning	3,584,492	3,341,704	3,429,150	3,232,569
Plan fiduciary net position - ending (b)	$ 3,940,083	$ 3,584,492	$ 3,341,704	$ 3,429,150
Net pension liability - ending (a)-(b)	$ 1,794,262	$ 2,003,906	$ 2,355,619	$ 2,449,049
Plan fiduciary net position as a percentage of the total pension liability	68.71%	64.14%	58.65%	58.34%
Covered - employee payroll	$ 1,076,634	$ 1,056,148	$ 1,074,330	$ 1,663,157
Net pension liability as percentage of covered-employee payroll	166.65%	189.74%	219.26%	147.25%

*** - Fiscal year 2015 was the first year of implementation, therefore only four years are shown.**

CITY OF ALMA, GEORGIA
REQUIRED SUPPEMENTARY INFORMATION
JUNE 30, 2018

City of Alma, an Agent Multiple-Employer Defined Benefit Pension Plan
As of June 30, 2018
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

	2018	2017	2016	2015
Actuarially determined contribution	$ 293,323	$ 325,523	$ 393,728	$ 373,172
Contributions in relation to the actuarially determined contributions	293,323	325,523	393,728	373,172
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll	$1,076,634	$1,056,148	$1,074,330	$1,663,157
Contributions as a percentage of covered-employee payroll	27.24%	30.82%	36.65%	22.44%

Notes to Schedule:

Valuation Date — **The actuarially determined contribution rate was determined as of January 1, 2018, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2019.**

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	**Projected Unit Credit**
Amortization Method	**Closed level dollar for remaining unfunded liability**
Remaining Amortization Period	**Remaining amortization period varies for the bases, with a net effective amortization period of 10 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 the end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.**
Actuarial Assumptions:	
Net Investment Rate of Return	**7.50%**
Projected Salary Increases	**2.75% plus service based merit increased**
Cost of Living Adjustments	**2.75%**
Retirement Age	**65 with early retirement permitted between ages 55 to 65**
Mortality	**RP-2000 Healthy Mortality Table and Disabled Retiree Mortality Table**

*** - Fiscal year 2015 was the first year of implementation, therefore only four years are shown.**

CITY OF ALMA, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET BASIS

	For the Year Ended June 30, 2018			
	Original Budget	Final Budget	GAAP/Budget Basis	Variance With Final Budget
REVENUES				
Taxes	$ 2,059,550	$ 2,043,900	$ 2,077,066	$ 33,166
Licenses and Permits	101,620	100,800	100,640	(160)
Intergovernmental Revenue	102,000	100,400	100,287	(113)
Charges for Services	54,795	59,500	59,180	(320)
Fines and Forfeitures	115,000	107,300	107,290	(10)
Investment Income	-	-	2	2
Contributions	120	79,500	79,500	-
Miscellaneous	3,200	1,700	1,556	(144)
Total Revenues	2,436,285	2,493,100	2,525,521	32,421
EXPENDITURES				
General Government				
Governing Body	51,944	54,100	53,549	551
Mayor	19,716	20,700	21,834	(1,134)
Financial Administration	299,940	324,900	322,685	2,215
General Administration	137,200	133,700	133,498	202
Total General Government	508,800	533,400	531,566	1,834
Judicial				
Recorder's Court	33,200	33,100	32,627	473
Municipal Court	19,450	25,400	25,209	191
Total Judicial	52,650	58,500	57,836	664
Public Safety				
Police	903,600	998,200	1,153,418	(155,218)
Jail	34,500	30,200	30,112	88
Fire	225,000	175,000	175,000	-
Dispatch	125,000	116,700	116,683	17
Animal Control	48,448	55,100	53,706	1,394
Total Public Safety	1,336,548	1,375,200	1,528,919	(153,719)
Public Works				
Streets	425,050	431,500	433,104	(1,604)
Maintenance and Shop	14,100	11,700	11,396	304
Cemetery, Parks, Inmate Labor Detail	48,550	63,500	62,880	620
Total Public Works	487,700	506,700	507,380	(680)
Housing and Development				
Code Enforcement	86,025	91,300	89,545	1,755
Economic Development	2,500	44,500	41,187	3,313
Total Housing and Development	88,525	135,800	130,732	5,068
Miscellaneous	15,095	72,400	64,556	7,844
Debt Service (principle and interest)	5,100	-	11,753	(11,753)
Total Expenditures	2,494,418	2,682,000	2,832,742	(150,742)
Excess Revenue (Expenditures)	(58,133)	(188,900)	(307,221)	(118,321)
Other Financing Sources (Uses)				
Transfers In	4,000	74,100	74,060	(40)
Transfers (Out)	-	-	-	-
Capital Lease Proceeds	-	-	175,000	175,000
Total Other Financing Sources (Uses)	4,000	74,100	249,060	174,960
Net Change in Fund Balance	(54,133)	(114,800)	(58,161)	56,639
Fund Balance - Beginning of Year	1,403,901	563,852	1,308,863	
Prior Period Adjustment	-	-	13,317	
Fund Balance - End of Year	$ 1,349,768	$ 449,052	$ 1,264,019	

See Notes to Financial Statements.

CITY OF ALMA, GEORGIA
MAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
BUDGET BASIS

	Capital Project Funds				
	SPLOST Fund 2012				
	Project Length Budget	Current	Prior Years	Total	Variance with Budget Over (Under)
REVENUES					
Intergovernmental	$ 1,855,000	$ 374,748	$ 1,000,986	$ 1,375,734	$ (479,266)
Interest on Investments	-	-	-	-	-
Total Revenues	1,855,000	374,748	1,000,986	1,375,734	(479,266)
EXPENDITURES					
Current:					
General Government	-	8,544	3,924	12,468	(12,468)
Judicial	-	-	-	-	-
Public Safety	-	3,739	137,518	141,257	(141,257)
Public Works	-	94,074	145,196	239,270	(239,270)
Housing and Development		-	-	-	-
Community Development	-	-	-	-	-
Capital Outlay	1,855,000	299,385	563,370	862,755	992,245
Debt Service:					-
Principal	-	15,653	-	15,653	(15,653)
Interest	-	-	-	-	-
Total Expenditures	1,855,000	421,395	850,008	1,271,403	583,597
Excess (Deficiency) of Revenues over Expenditures	-	(46,647)	150,978	104,331	104,331
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Other	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	-	(46,647)	150,978	104,331	
Fund Balance - Beginning of Year	-	150,978	-	-	
Fund Balance - End of Year	$ -	$ 104,331	$ 150,978	$ 104,331	

See Notes to Financial Statements.

CITY OF ALMA, GEORGIA
MAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
BUDGET BASIS

	Capital Project Funds	
	EIP Loan Fund	
	Current	
REVENUES		
Interest Income	$	16,563
Other		16,022
Total Revenues		32,585
EXPENDITURES		
Current		
General Government		-
Judicial		-
Public Safety		-
Public Works		-
Housing and Development		-
Community Development		-
Capital Outlay		-
Total Expenditures		-
Excess (Deficiency) of Revenues over Expenditures		32,585
Other Financing Sources (Uses)		
Transfers In		-
Transfers Out		-
Other		-
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses		32,585
Fund Balance - Beginning of Year		470,729
Fund Balance - End of Year	$	503,314

See Notes to Financial Statements.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, or a part of the basic financial statements, but are presented for purposes of additional analysis.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Hotel/Motel Tax – this fund is used to account for the receipts and disbursements of the hotel/motel tax that is levied by the City of Alma.

Other Special Revenue Funds – these funds include Bacon Theatre, Police – Seat Safety, Police Department SI, Police Community Fund, Alma Bacon County Legislative Cookout Fund, Innovative Training Fund, UDGA Loan Fund, USDA Grant, DCA Grants, and Your Hometown Fund are used to account for the operations of other special revenue funds whose revenues and expenditures are restricted by various contracts and agreements.

Capital Project Funds

SPLOST 2018 Fund – this fund is used to account for the special one-cent sales tax revenues (approved by Bacon County voters) that are specifically restricted to street improvements.

CITY OF ALMA, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue						
	Hotel/Motel Tax	Bacon Theatre	Police - Seat Safety	Police Dept. SI	Police Community Fund	Alma Bacon County Legislative Cookout	Innovative Training
Assets							
Cash and cash equivalents	$ -	$ 9,370	$ 927	$ 4,169	$ 585	$ 9,754	$ 79,299
Accounts receivable	2,727	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Total assets	$ 2,727	$ 9,370	$ 927	$ 4,169	$ 585	$ 9,754	$ 79,299
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	$ 2,291	$ -	$ -	$ -	$ -	$ -	$ -
Sales Tax Payable	-	478	-	-	-	-	-
Due to others	-	-	-	45	-	-	-
Due to other funds	436	-	-	-	-	-	-
Total liabilities	2,727	478	-	45	-	-	-
Deferred Inflows of Resources:							
Unavailable Revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	8,892	927	4,124	585	9,754	79,299
Unassigned	-	-	-	-	-	-	-
Total fund balance	-	8,892	927	4,124	585	9,754	79,299
Total liabilities and fund balance	$ 2,727	$ 9,370	$ 927	$ 4,169	$ 585	$ 9,754	$ 79,299

CITY OF ALMA, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue				Capital Projects	
	UDGA Loan Fund	USDA Grant	DCA Grants	Your Hometown	SPLOST 2018	Total Other Government
Assets						
Cash and cash equivalents	$ 186,316	$ -	$ 6,857	$ 7,806	$ 30,968	$ 336,051
Accounts receivable	-	-	-	-	-	2,727
Investments	77,135	-	-	-	-	77,135
Notes receivable	379,104	-	-	-	-	379,104
Total assets	$ 642,555	$ -	$ 6,857	$ 7,806	$ 30,968	$ 795,017
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ 2,291
Sales Tax Payable	-	-	-	-	-	478
Due to others	-	-	-	-	-	45
Due to other funds	-	-	-	-	-	436
Total liabilities	-	-	-	-	-	3,250
Deferred Inflows of Resources:						
Unavailable Revenue	-	-	-	-		-
Total deferred inflows of resources	-	-	-	-	-	-
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	642,555	-	6,857	-	30,968	680,380
Committed	-	-	-	-	-	-
Assigned	-	-	-	7,806	-	111,387
Unassigned	-	-	-	-	-	-
Total fund balance	642,555	-	6,857	7,806	30,968	791,767
Total liabilities and fund balance	$ 642,555	$ -	$ 6,857	$ 7,806	$ 30,968	$ 795,017

CITY OF ALMA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue						
	Hotel/Motel Tax	Bacon Theatre	Police - Seat Safety	Police Dept SI	Police Community Fund	Alma Bacon County Legislative Cookout	Innovative Training
Revenues:							
Grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investment income	-	-	-	-	-	-	-
Fines and forfeiture	-	-	1,735	12,690	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-
Miscellaneous	25,431	82,804	-	-	3,161	20,850	-
Total Revenues	25,431	82,804	1,735	12,690	3,161	20,850	-
Expenditures:							
Current:							
Public safety	-	-	808	16,834	2,694	-	-
Public works	-	-	-	-	-	-	-
Development	21,371	78,810	-	-	-	16,678	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total Expenditures	21,371	78,810	808	16,834	2,694	16,678	-
Excess (deficiency) of revenues over expenditures	4,060	3,994	927	(4,144)	467	4,172	-
Other financing sources (uses):							
Debt proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(4,060)	-	-	-	-		-
Total other financing sources (uses)	(4,060)	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	3,994	927	(4,144)	467	4,172	-
Fund balances at beginning of year	-	4,898	-	8,268	118	5,582	79,299
Prior Period Adjustment	-	-	-	-	-	-	-
Fund balances at end of year	$ -	$ 8,892	$ 927	$ 4,124	$ 585	$ 9,754	$ 79,299

CITY OF ALMA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue				Capital Projects	
	UDGA Loan Fund	USDA Grant	DCA Grants	Your Hometown	SPLOST 2018	Total Other Governmental Funds
Revenues:						
Grants	$ -	$ -	$ -	$ -	$ -	$ -
Investment income	13,216	-	-	-	-	13,216
Fines and forfeiture	-	-	-	-	-	14,425
Intergovernmental revenues	-	-	-	-	30,968	30,968
Miscellaneous	-	-	-	-	-	132,246
Total Revenues	13,216	-	-	-	30,968	190,855
Expenditures:						
Current:						
Public safety	-	-	-	-	-	20,336
Public works	-	-	-	-	-	-
Development	-	-	-	-	-	116,859
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	3,036	-	-	-	3,036
Interest	-	756	-	-	-	756
Total Expenditures	-	3,792	-	-	-	140,987
Excess (deficiency) of revenues over expenditures	13,216	(3,792)	-	-	30,968	49,868
Other financing sources (uses):						
Debt proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(4,060)
Total other financing sources (uses)	-	-	-	-	-	(4,060)
Excess (deficiency) of revenues and other sources over expenditures and other uses	13,216	(3,792)	-	-	30,968	45,808
Fund balances at beginning of year	629,339	3,792	6,857	7,806	-	745,959
Prior Period Adjustment	-	-	-	-	-	-
Fund balances at end of year	$ 642,555	$ -	$ 6,857	$ 7,806	$ 30,968	$ 791,767

CITY OF ALMA, GEORGIA
HOTEL/MOTEL TAX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Grants	$ -	$ -	$ -
Investment Income	-	-	-
Fines and forfeiture	-	-	-
Miscellaneous	26,000	25,431	(569)
Total Revenues	26,000	25,431	(569)
Expenditures			
Current:	-	-	-
Public safety	-	-	-
Public works	-	-	-
Development	22,000	21,371	629
Administration	-	-	-
Capital Outlay	-	-	-
Other	-	-	-
Bad Debts	-	-	-
Total Expenditures	22,000	21,371	629
Excess (deficiency) of revenues over expenditures	4,000	4,060	60
Other financing sources (uses)			
Debt proceeds	-	-	-
Transfers in	-	-	-
Transfers out	(4,000)	(4,060)	(60)
Total other financing sources (uses)	(4,000)	(4,060)	(60)
Net changes in Fund Balance	$ -	-	$ -
Fund balances at beginning of year		-	
Fund balances at end of year		$ -	

CITY OF ALMA, GEORGIA
BACON THEATRE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Grants	$ -	$ -	$ -
Investment Income	-	-	-
Fines and forfeiture	-	-	-
Miscellaneous	89,000	82,804	(6,196)
Total Revenues	89,000	82,804	(6,196)
Expenditures			
Current:			
Public safety	-	-	-
Public works	-	-	-
Development	89,000	78,810	10,190
Administration	-	-	-
Capital Outlay	-	-	-
Other	-	-	-
Bad Debts	-	-	-
Total Expenditures	89,000	78,810	10,190
Excess (deficiency) of revenues over expenditures	-	3,994	3,994
Other financing sources (uses)			
Debt proceeds	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in Fund Balance	$ -	3,994	$ 3,994
Fund balances at beginning of year		4,898	
Fund balances at end of year		$ 8,892	

CITY OF ALMA, GEORGIA
POLICE DEPARTMENT SI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Grants	$ -	$ -	$ -
Investment Income	-	-	-
Fines and forfeiture	10,000	12,690	2,690
Miscellaneous	-	-	-
Total Revenues	10,000	12,690	2,690
Expenditures			
Current:			
Public safety	10,000	16,834	(6,834)
Public works	-	-	-
Development	-	-	-
Administration	-	-	-
Capital Outlay	-	-	-
Other	-	-	-
Bad Debts	-	-	-
Total Expenditures	10,000	16,834	(6,834)
Excess (deficiency) of revenues over expenditures	-	(4,144)	(4,144)
Other financing sources (uses)			
Debt proceeds	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in Fund Balance	$ -	(4,144)	$ (4,144)
Fund balances at beginning of year		8,268	
Fund balances at end of year		$ 4,124	

CITY OF ALMA, GEORGIA
POLICE COMMUNITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Grants	$ -	$ -	$ -
Investment Income	-	-	-
Fines and forfeiture	-	-	-
Miscellaneous	1,000	3,161	2,161
Total Revenues	1,000	3,161	2,161
Expenditures			
Current:			
Public safety	1,000	2,694	(1,694)
Public works	-	-	-
Development	-	-	-
Administration	-	-	-
Capital Outlay	-	-	-
Other	-	-	-
Bad Debts	-	-	-
Total Expenditures	1,000	2,694	(1,694)
Excess (deficiency) of revenues over expenditures	-	467	467
Other financing sources (uses)			
Debt proceeds	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in Fund Balance	$ -	467	$ 467
Fund balances at beginning of year		118	
Fund balances at end of year		$ 585	

CITY OF ALMA, GEORGIA
ALMA BACON COUNTY LEGISLATIVE COOKOUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Grants	$ -	$ -	$ -
Investment Income	-	-	-
Fines and forfeiture	-	-	-
Miscellaneous	15,000	20,850	5,850
Total Revenues	15,000	20,850	5,850
Expenditures			
Current:			
Public safety	-	-	-
Public works	-	-	-
Development	15,000	16,678	(1,678)
Administration	-	-	-
Capital Outlay	-	-	-
Other	-	-	-
Bad Debts	-	-	-
Total Expenditures	15,000	16,678	(1,678)
Excess (deficiency) of revenues over expenditures	-	4,172	4,172
Other financing sources (uses)			
Debt proceeds	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in Fund Balance	$ -	4,172	$ 4,172
Fund balances at beginning of year		5,582	
Fund balances at end of year		$ 9,754	

CITY OF ALMA, GEORGIA
SPLOST 2018
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Capital Project Funds				
	SPLOST 2018				
	Project Length Budget	Current	Prior Years	Total	Variance with Budget Over (Under)
REVENUES					
Intergovernmental	$ 2,208,000	$ 30,968	$ -	$ 30,968	$ (2,177,032)
Total Revenues	2,208,000	30,968	-	30,968	(2,177,032)
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Judicial	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Housing and Development	-	-	-	-	-
Community Development	-	-	-	-	-
Capital Outlay	2,208,000	-	-	-	2,208,000
Total Expenditures	2,208,000	-	-	-	2,208,000
Excess (Deficiency) of Revenues over Expenditures	-	30,968	-	30,968	30,968
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Other	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	-	30,968	-	30,968	30,968
Fund Balance - Beginning of Year	-	-	-	-	-
Fund Balance - End of Year	$ -	$ 30,968	$ -	$ 30,968	$ 30,968

OTHER INFORMATION

CITY OF ALMA, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
JUNE 30, 2018

SPLOST Fund 2012					
Project	Original Estimated Cost	Current Estimated Cost	Prior Year Expenditures	Current Year Expenditures	Total Expenditures
City Administration & Equipment	$ 50,000	$ 50,000	$ 10,271	$ 246,378	$ 256,649
Public Works Department & Equipment	200,000	200,000	396,028	139,740	535,768
Police Department & Equipment	200,000	200,000	188,798	31,942	220,740
Resurfacing, Paving, & Equipment	250,000	250,000	110,895	-	110,895
Code Enforcement & Equipment	30,000	30,000	32,231	3,335	35,566
Fire Department & Equipment	230,000	125,000	111,785	-	111,785
Total	$ 960,000	$ 855,000	$ 850,008	$ 421,395	$ 1,271,403

The Fire Department & Equipment costs were revised from the original referendum. The City and County share the fire department. The administrative duties were originally performed by the City but are now the responsibility of the County. As a result, the remainder of the SPLOST funds budgeted at the time of the change was allocated to the County.

REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

Reporting on Compliance and on Internal controls over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

To the Board of Commissioners
City of Alma, 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alma, Georgia, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise City of Alma, Georgia's basic financial statements, and have issued our report thereon dated December 12, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that 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 of Alma, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However,

providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Respectfully submitted,

BYRT CPAs, LLC

BYRT CPAs, LLC
Waycross, Georgia
December 12, 2018