CITY OF COCHRAN, GEORGIA
FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021
AND
INDEPENDENT AUDITOR'S REPORT

CITY OF COCHRAN, GEORGIA

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED

JUNE 30, 2021

CITY OF COCHRAN, GEORGIA
Financial Statements
For the Fiscal Year Ended June 30, 2021

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Financial Section

INDEPENDENT AUDITOR'S REPORT

D. M. Vickers & Assoc., P.C.

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council
City of Cochran, Georgia

Opinions

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 Cochran, Georgia (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 of the City of Cochran, Georgia, as of June 30, 2021, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Cochran, Georgia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Cochran's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Cochran, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Cochran's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cochran, Georgia's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the schedule of expenditures of federal awards 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 June 22, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cochran, Georgia's internal control over financial reporting and compliance.

H. M. Vickers & Associates, P.C.

June 22, 2022

Basic Financial Statements

CITY OF COCHRAN, GEORGIA
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total	Component Unit Cochran Downtown Development Authority
ASSETS:				
Cash	$ 1,342,212	$ 3,595,911	$ 4,938,123	$ 12,447
Restricted investments, current	-	41,635	41,635	-
Receivables, net:				
Taxes	90,592	-	90,592	-
Fines and forfeitures	12,580	-	12,580	-
Customers	-	563,874	563,874	-
Intergovernmental	218,475	209,129	427,604	-
Others	31,388	-	31,388	-
Prepaid items	46,041	17,483	63,524	-
Inventory, at cost	1,252	5,298	6,550	-
Investment in joint venture	-	808,879	808,879	-
Capital assets not being depreciated	900,274	4,288,029	5,188,303	-
Capital assets being depreciated, net	7,844,876	8,116,171	15,961,047	-
TOTAL ASSETS	10,487,690	17,646,409	28,134,099	12,447
DEFERRED OUTFLOWS OF RESOURCES-				
Pensions	287,225	45,311	332,536	-
LIABILITIES:				
Accounts payable	145,075	511,293	656,368	-
Deposits payable	-	63,277	63,277	-
Salaries and benefits payable	51,153	11,038	62,191	-
Accrued liabilities	4,143	-	4,143	-
Intergovernmental	21,200	-	21,200	-
Accrued interest	-	24,808	24,808	-
Compensated absences, payable within one year	72,724	21,943	94,667	-
Compensated absences, payable after one year	39,159	11,816	50,975	-
Capital leases and notes, payable within one year	39,540	197,352	236,892	-
Bonds payable due within one year-(payable from restricted assets)	-	104,026	104,026	-
Bonds and leases payable due after one year	48,136	3,168,814	3,216,950	-
Notes payable due after one year	-	4,248,038	4,248,038	-
Net pension liability	300,514	47,407	347,921	-
TOTAL LIABILITIES	721,644	8,409,812	9,131,456	-
DEFERRED INFLOWS OF RESOURCES-				
Pensions	251,464	39,670	291,134	-
NET POSITION:				
Net investment in capital assets	$ 8,657,474	$ 4,685,970	$ 13,343,444	$ -
Restricted for capital projects	1,140,580	-	1,140,580	-
Restricted for transportation projects	53,984	-	53,984	-
Restricted for confiscated assets - police	38,287	-	38,287	-
Restricted for debt service	-	41,635	41,635	-
Restricted for military flags	40,998	-	40,998	-
Unrestricted	(129,516)	4,514,633	4,385,117	12,447
TOTAL NET POSITION	$ 9,801,807	$ 9,242,238	$ 19,044,045	$ 12,447

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

CITY OF COCHRAN, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Cochran Downtown Development Authority
Governmental activities:								
General government	$ 950,536	$ 420,836	$ 1,120,305	$ -	$ 590,605	$ -	$ 590,605	$ -
Public safety	1,928,194	111,870	-	-	(1,816,324)	-	(1,816,324)	-
Public works	1,413,366	-	-	377,685	(1,035,681)	-	(1,035,681)	-
Airport	252,659	-	30,000	8,164	(214,495)	-	(214,495)	-
Community development	365,824	-	252,723	-	(113,101)	-	(113,101)	-
Interest on long-term debt	4,913	-	-	-	(4,913)	-	(4,913)	-
Total governmental activities	4,915,492	532,706	1,403,028	385,849	(2,593,909)	-	(2,593,909)	-
Business-type activities:								
Water and sewer	1,848,440	2,068,755	-	310,488	-	530,803	530,803	-
Natural gas	2,948,708	3,126,458	-	-	-	177,750	177,750	-
Solid waste	872,773	830,776	-	-	-	(41,997)	(41,997)	-
Total business-type activities	5,669,921	6,025,989	-	310,488	-	666,556	666,556	-
Total primary government	$ 10,585,413	$ 6,558,695	$ 1,403,028	$ 696,337	(2,593,909)	666,556	(1,927,353)	-
Component Unit-								
Cochran Downtown Development Authority	$ 46,105	$ -	$ 45,330	$ 7,500	-	-	-	6,725
	General revenues:							
	Property taxes				978,985	-	978,985	-
	General sales tax				1,317,981	-	1,317,981	-
	Hotel/Motel tax				19,353	-	19,353	-
	Other taxes				736,317	-	736,317	-
	Interest earnings				2,762	14,680	17,442	-
	Miscellaneous				44,173	-	44,173	-
	Total general revenues				3,099,571	14,680	3,114,251	-
	Changes in net position				505,662	681,236	1,186,898	6,725
	Net position-beginning				9,296,145	8,561,002	17,857,147	5,722
	Net position - ending				$ 9,801,807	$ 9,242,238	$ 19,044,045	$ 12,447

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

CITY OF COCHRAN, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Special Revenue-CHIP Grant	Capital Projects-Special Sales Tax - 2013	Capital Projects-Special Sales Tax - 2018	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash	$ 248,059	$ 13,000	$ 167,025	$ 827,632	$ 86,496	$ 1,342,212
Receivables, net:						
Taxes	88,494	-	-	-	2,098	90,592
Fines and forfeitures	12,580	-	-	-	-	12,580
Intergovernmental	72,266	34,200	-	87,756	24,253	218,475
Others	31,388	-	-	-	-	31,388
Due from other funds	2,098	-	-	-	-	2,098
Prepaid items	46,041	-	-	-	-	46,041
Inventory	1,252	-	-	-	-	1,252
TOTAL ASSETS	$ 502,178	$ 47,200	$ 167,025	$ 915,388	$ 112,847	$ 1,744,638
LIABILITIES:						
Accounts payable	$ 77,088	$ 31,200	$ 18,409	$ -	$ 18,378	$ 145,075
Salaries and benefits payable	51,153	-	-	-	-	51,153
Intergovernmental	21,200	-	-	-	-	21,200
Accrued liabilities	4,143	-	-	-	-	4,143
Due to other funds	-	-	-	-	2,098	2,098
TOTAL LIABILITIES	153,584	31,200	18,409	-	20,476	223,669
DEFERRED INFLOWS OF RESOURCES-						
Unavailable revenue-property taxes	75,415	-	-	-	-	75,415
TOTAL DEFERRED INFLOWS OF RESOURCES	75,415	-	-	-	-	75,415
FUND BALANCE:						
Nonspendable:						
Prepaid items	46,041	-	-	-	-	46,041
Inventory	1,252	-	-	-	-	1,252
Restricted:						
Capital projects	76,476		148,616	915,388	100	1,140,580
Transportation projects	-	-	-	-	53,984	53,984
Confiscated assets-police	-	-	-	-	38,287	38,287
Military flags	40,998	-	-	-	-	40,998
Community development		16,000	-	-	-	16,000
Unassigned -General Fund	108,412	-	-	-	-	108,412
TOTAL FUND BALANCE	273,179	16,000	148,616	915,388	92,371	1,445,554
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 502,178	$ 47,200	$ 167,025	$ 915,388	$ 112,847	$ 1,744,638

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

CITY OF COCHRAN, GEORGIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021

Differences in amounts reported for governmental activities in the statement of net position:	
Fund balances - total governmental funds	$1,445,554
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds	8,745,150
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Liability for compensated absences	(111,883)
Net pension liability	(300,514)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and therefore are not reported in the governmental funds:	
Deferred outflows	287,225
Deferred inflows	(251,464)
Long-term-payables are not due and payable in the current period and, therefore, are not reported in the governmental funds	(87,676)
Some governmental revenues will not be collected for several months after the year end and, therefore, are deferred in the governmental funds	75,415
Net position of governmental activities	$9,801,807

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

CITY OF COCHRAN, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General Fund	Special Revenue-CHIP Grant	Capital Projects-Special Sales Tax - 2013	Capital Projects-Special Sales Tax - 2018	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes	$ 2,428,060	$ -	$ -	$ -	$ 96,339	$ 2,524,399
Licenses and permits	54,154	-	-	-	-	54,154
Intergovernmental	1,229,480	252,723	-	559,477	306,674	2,348,354
Charges for services	287,200	-	-	-	-	287,200
Fines and forfeitures	179,095	-	-	-	-	179,095
Miscellaneous	46,784	-	33	64	12,310	59,191
Total Revenues	4,224,773	252,723	33	559,541	415,323	5,452,393
EXPENDITURES:						
Current:						
General government	1,022,768	-	-	-	-	1,022,768
Public safety	1,715,576	-	-	-	8,262	1,723,838
Public works	873,534	-	-	-	47,699	921,233
Airport	54,351	-	-	-	-	54,351
Community development	87,490	234,723	-	-	19,353	341,566
Capital outlay	-	-	272,208	102,773	307,304	682,285
Debt service:						
Principal	77,357	-	-	-	-	77,357
Interest	4,913	-	-	-	-	4,913
Total Expenditures	3,835,989	234,723	272,208	102,773	382,618	4,828,311
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	388,784	18,000	(272,175)	456,768	32,705	624,082
OTHER FINANCING SOURCES (USES):						
Transfers in	2,000	-	-	-	630	2,630
Transfers (out)	(630)	(2,000)				(2,630)
Issuance of debt	10,923	-	-	-	-	10,923
Total Other Financing Sources (Uses)	12,293	(2,000)	-	-	630	10,923
NET CHANGE IN FUND BALANCE	401,077	16,000	(272,175)	456,768	33,335	635,005
FUND BALANCE (DEFICIT)-BEGINNING	(127,898)	-	420,791	458,620	59,036	810,549
FUND BALANCE (DEFICIT)- ENDING	$ 273,179	$ 16,000	$ 148,616	$ 915,388	$ 92,371	$ 1,445,554

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

CITY OF COCHRAN, GEORGIA
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2021

Differences in amounts reported for governmental activities in the statement of activities	
Net change in fund balances - total governmental funds	$ 635,005
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position	
Expenditures for capital assets	292,625
Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities	(573,929)
Proceeds from the issuance of long-term debt provide current financial resources in the governmental funds but are recorded as liabilities in the governmental activities statement of net position	(10,923)
Repayment of long-term debt is reported as an expenditure in governmental funds, but as a reduction of long-term liabilities in the statement of net position	77,357
Expenses for compensated absences are reported for governmental activities but do not require the use of current financial resources and therefore are not reported as expenditures for governmental funds:	
Liability balance at current fiscal year end	(111,883)
Liability balance at prior fiscal year end	126,581
Pension contributions reported as expenditures in the governmental funds are reported as deferred outflows of resources in the statement of net position because the net pension liability is measured prior to the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities:	
Net pension liability at current fiscal year end	(300,514)
Net pension liability at prior year end	869,643
Deferred outflows balance at current fiscal year end	287,225
Deferred outflows balance at prior fiscal year end	(649,160)
Deferred inflows balance at current fiscal year end	(251,464)
Deferred inflows balance at prior fiscal year end	146,338
Some governmental revenues will not be collected for several months after the year end and are deferred in the governmental funds:	
Unavailable revenue balance at current fiscal year end	75,415
Unavailable revenue balance at prior fiscal year end	(106,654)
Change in net position of governmental activities	$ 505,662

CITY OF COCHRAN, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2021

	Water and Sewer	Natural Gas	Solid Waste	Total
ASSETS:				
Current Assets:				
Cash	$ 2,344,844	$ 857,278	$393,789	$ 3,595,911
Restricted investments	41,635	-	-	41,635
Receivables, net	305,028	181,360	77,486	563,874
Intergovernmental	209,129	-	-	209,129
Prepaid items	12,681	4,802	-	17,483
Inventory, at cost	5,298	-	-	5,298
Total Current Assets	2,918,615	1,043,440	471,275	4,433,330
Noncurrent Assets:				
Investment in joint venture	-	808,879	-	808,879
Capital assets:				
Land	9,700	515	-	10,215
Construction in progress	4,277,814	-	-	4,277,814
Buildings, net	8,886	-	-	8,886
Machinery and equipment, net	243,260	-	-	243,260
Water and sewer system, net	7,642,403	-	-	7,642,403
Gas system, net	-	135,573	-	135,573
Transmission line, net	-	86,049	-	86,049
Total Noncurrent Assets	12,182,063	1,031,016	-	13,213,079
TOTAL ASSETS	15,100,678	2,074,456	471,275	17,646,409
DEFERRED OUTFLOWS OF RESOURCES-				
Pensions	45,311	-	-	45,311
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	15,145,989	2,074,456	471,275	17,691,720

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

CITY OF COCHRAN, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2021

	Water and Sewer	Natural Gas	Solid Waste	Total
LIABILITIES:				
Current Liabilities:				
Accounts payable	252,234	197,255	61,804	511,293
Deposits payable	46,244	17,033	-	63,277
Salaries and benefits payable	11,038	-	-	11,038
Due to other funds	-	-	-	-
Accrued interest	24,808	-	-	24,808
Compensated absences	21,943	-	-	21,943
Total	356,267	214,288	61,804	632,359
Current Liabilities (payable from restricted assets) :				
Revenue bonds payable	104,026	-	-	104,026
Notes payable	197,352	-	-	197,352
Total Current Liabilities (payable from restricted assets)	301,378	-	-	301,378
Total Current Liabilities	657,645	214,288	61,804	933,737
Noncurrent Liabilities:				
Revenue bonds payable	3,168,814	-	-	3,168,814
Notes payable	4,248,038	-	-	4,248,038
Compensated absences	11,816	-	-	11,816
Net pension liability	47,407	-	-	47,407
Total Noncurrent Liabilities	7,476,075	-	-	7,476,075
TOTAL LIABILITIES	8,133,720	214,288	61,804	8,409,812
DEFERRED INFLOWS OF RESOURCES-				
Pensions	39,670	-	-	39,670
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	8,173,390	214,288	61,804	8,449,482
NET POSITION:				
Net investment in capital assets	4,463,833	222,137	-	4,685,970
Restricted for debt service	41,635	-	-	41,635
Unrestricted	2,467,131	1,638,031	409,471	4,514,633
TOTAL NET POSITION	$ 6,972,599	$ 1,860,168	$409,471	$ 9,242,238

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

CITY OF COCHRAN, GEORGIA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	Water and Sewer	Natural Gas	Solid Waste	Total
OPERATING REVENUES:				
Water and Sewer charges pledged as security for revenue bonds	$ 1,913,866	$ -	$ -	$ 1,913,866
Charges for services	-	3,153,324	830,776	3,984,100
Total Operating Revenues	1,913,866	3,153,324	830,776	5,897,966
OPERATING EXPENSES:				
Salaries and benefits	345,114	-	-	345,114
Administrative overhead	414,120	288,900	102,000	805,020
Services and fees	199,416	2,630,638	763,908	3,593,962
Supplies	73,605	2,165	112	75,882
Repairs and maintenance	99,624	6,900	828	107,352
Utilities	185,736	7,617	301	193,654
Insurance premiums	15,628	2,401	5,624	23,653
Depreciation	406,438	10,088	-	416,526
Miscellaneous	1,349	-	-	1,349
Total Operating Expenses	1,741,030	2,948,709	872,773	5,562,512
OPERATING INCOME	172,836	204,615	(41,997)	335,454
NON-OPERATING REVENUES (EXPENSES):				
Interest income	14,680	-	-	14,680
Income (loss) from joint venture	-	(26,866)	-	(26,866)
Intergovernmental	154,889	-	-	154,889
Interest expense	(107,409)	-	-	(107,409)
Total Non-Operating Revenues (Expenses)	62,160	(26,866)	-	35,294
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	234,996	177,749	(41,997)	370,748
Capital contributed	310,488	-	-	310,488
CHANGES IN NET POSITION	545,484	177,749	(41,997)	681,236
NET POSITION- BEGINNING	6,427,115	1,682,419	451,468	8,561,002
NET POSITION- ENDING	$ 6,972,599	$ 1,860,168	$ 409,471	$ 9,242,238

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

CITY OF COCHRAN, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	Water and Sewer	Natural Gas	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	$ 1,917,025	$ 3,106,635	$841,027	$ 5,864,687
Cash paid to suppliers	(814,835)	(2,870,892)	(865,648)	(4,551,375)
Cash paid to employees	(350,048)	-	-	(350,048)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	752,142	235,743	(24,621)	963,264
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES-				
Transfers from other funds	-	590,261	-	590,261
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	-	590,261	-	590,261
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(1,172,512)	-	-	(1,172,512)
Capital grants and contributions	285,647	-	-	285,647
Proceeds from issuance of notes payable	621,534	-	-	621,534
Principal payments on bonds and notes	(128,607)	-	-	(128,607)
Interest paid on bonds and notes	(107,908)	-	-	(107,908)
NET CASH (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(501,846)	-	-	(501,846)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earned	14,522	-	-	14,522
Decrease (increase) in restricted assets	(185)	-	-	(185)
NET CASH PROVIDED BY INVESTING ACTIVITIES	14,337	-	-	14,337
NET INCREASE (DECREASE) IN CASH	264,633	826,004	(24,621)	1,066,016
CASH, BEGINNING	2,080,211	31,274	418,410	2,529,895
CASH, ENDING	$ 2,344,844	$ 857,278	$393,789	$ 3,595,911
CASH ENDING - UNRESTRICTED	$ 2,344,844	$ 857,278	$393,789	$ 3,595,911

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

CITY OF COCHRAN, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	Water and Sewer	Natural Gas	Solid Waste	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating income (loss)	$ 172,836	$204,615	$(41,997)	$ 335,454
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	406,438	10,088	-	416,526
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	2,130	(46,689)	10,252	(34,307)
Prepaid items	986	(4,802)	5,624	1,808
Inventory, at cost	(2,244)	-	-	(2,244)
Deferred outflows of resources - pensions	56,985	-	-	56,985
Increase (decrease) in:				
Accounts payable	175,901	72,853	1,500	250,254
Deposits payable	1,030	(322)	-	708
Salaries and benefits payable	4,129	-	-	4,129
Deferred inflows of resources - pensions	16,610	-	-	16,610
Compensated absences	7,637			7,637
Net pension liability	(90,296)	-	-	(90,296)
Total adjustments	579,306	31,128	17,376	627,810
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 752,142	$235,743	$(24,621)	$ 963,264
NON-CASH TRANSACTIONS AFFECTING FINANCIAL POSITION-				
Net income (loss) from joint venture	$ -	$ (26,866)	$ -	$ (26,866)
NET EFFECT-NON-CASH TRANSACTIONS	$ -	$ (26,866)	$ -	$ (26,866)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Cochran, Georgia is an incorporated municipality under the provisions of Georgia law. The City operates under a Mayor and Council form of government. The City provides various services, levies taxes, and issues licenses as provided by the Charter. These services include public safety, highways and streets, sanitation, wastewater treatment, water, gas, and administrative services.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the City.

The City has a duly organized downtown development authority which management has determined should be included in these financial statements as a discretely presented component unit. The authority is organized to be a catalyst for revitalization, promotion, development and redevelopment of the City's downtown business district. The authority consists of seven members appointed by the Mayor and City Council.

The City is responsible for appointing some of the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. These related organizations include the following:

Cochran-Bleckley Recreation Authority
Cochran-Bleckley Library Board
Cochran-Bleckley Industrial Development Authority
Cochran-Bleckley Health Board
Cochran Housing Authority
Cochran Municipal Airport Authority

Disbursements to these organizations based on contractual agreements have been budgeted and expended as part of the regular operations of the City.

B. Government-wide and Fund Financial Statements

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and certain compensated absences and claims and judgments are recorded when due.

Revenues considered susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

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

The **CHIP Grant Special Revenue Fund** accounts for revenue and expenditures of a Community Home Investment Program Grant for Housing Rehabilitation.

The **Special Purpose Local Option Sales Tax - 2013 Capital Projects Fund** accounts for capital outlay and other transactions related to the 2013 additional one-percent local option sales tax.

The **Special Purpose Local Option Sales Tax – 2018 Capital Projects Fund** accounts for capital outlay and other transactions related to the 2018 additional one-percent local option sales tax.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** is used to account for the provision of water and sewer services to businesses and residences of the City. All activities necessary to provide such services are accounted for in the fund, including but not limited to, administration, operation, financing and related debt services, and billing and collections.

The **Natural Gas Fund** is used to account for the provision of natural gas services to businesses and residences of the City. All activities necessary to provide such services are accounted for in the fund, including but not limited to, administration, operation, financing and related debt services, and billing and collections.

The **Solid Waste Fund** is used to account for the provision of solid waste services to businesses and residences of the City. All activities necessary to provide such services are accounted for in the fund, including but not limited to, administration, operation, financing and related debt services, and billing and collections.

Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgetary Control

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the City Council. Within these control levels, management may transfer appropriations without Council approval.

E. Budgets and Budgetary Accounting

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

1. Prior to May 15, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means by which they are to be financed.

2. The City Council holds a public hearing on the budget, giving notice thereof at least 10 days in advance by publication in the official organ of the City of Cochran.

3. The budget is then revised and adopted or amended by the City Council at the first regular meeting prior to July 1 of the year to which it applies.

4. The budget so adopted may be revised during the year only by formal action of the City Council in a regular meeting and no increase shall be made therein without provision also being made for financing same.

5. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

6. Budgeted amounts are as originally adopted, or as amended by the Council. No amendments were made to the current year's budget. Appropriated annual budgets have been legally adopted for the General Fund, Special Revenue Funds, and Enterprise Funds. A project length budget is adopted for the capital projects funds.

F. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments. For purpose of the statement of cash flows, the City considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The City maintains only checking and interest-bearing savings accounts in Georgia financial institutions as permitted by OCGA 36-83-4. Restricted investments include cash and certificates of deposit which have been segregated under the provisions of the revenue bond agreement. These investments are stated at cost plus accrued interest which approximates market value.

G. Inventories

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

H. Prepaid Items

Prepaid items are recorded as expenditures in the governmental funds during the period benefited.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements.

The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the assets' estimated useful lives as follows:

Asset Class	Estimated Useful Lives In Years	Capitalization Threshold
Buildings	50	$ 15,000
Building Improvements	20	$ 5,000
Machinery and equipment	3-10	$ 5,000
Water and sewer lines	30-50	$ 5,000
Gas Lines	30-50	$ 5,000
Airport runway	30-50	$ 10,000
Infrastructure	30	$ 10,000

J. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefits

Vacation leave is earned by all permanent City employees at a rate determined by the amount of continuous employment the employee has with the City for the first 15 years of service. After fifteen years of service, the employees earn at a rate of eighteen days per year. Vacation leave may be accumulated and carried over to a maximum of 45 days per employee. Upon separation from the City, employees are entitled to accumulated vacation leave. In governmental funds, the cost of vacation leave is recognized when payments are made to employees. Proprietary funds accrue vacation leave in the period they are earned.

K. Long-Term Obligations

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

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

L. Deferred Outflows and Inflows of Resources

The City has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The statements establish accounting and financial reporting standards for deferred outflows and inflows of resources and the concept of net position as the residual of all other elements presented in the statement of net position.

Deferred outflows of resources represent a consumption of net position that applies to future periods and, as such, will be recognized as an outflow of resources (expenditure or expense, as applicable) in the future. The City has only one type of item which arises under the accrual basis of accounting, that qualifies for reporting in this category. Pension related items are reported on the government-wide statement of net position for governmental activities and business-type activities, and on the proprietary funds statements of net position for the Water and Sewer Fund.

Deferred inflows of resources represent an acquisition of net position that applies to future periods and, as such, will be recognized as an inflow of resources (revenue) in the future. The City has several types of items that qualify for reporting in this category. Unavailable revenue from property taxes and grants is reported in the governmental funds balance sheets. Pension related items are reported on the government-wide statement of net position for governmental activities and business-type activities, and on the proprietary funds statements of net position for the Water and Sewer Fund.

M. Fund Equity

1. Government-wide Statements

   Net position is the difference between assets and liabilities. Net position is categorized as follows:

   a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

   b. Restricted net position - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

   c. Unrestricted net position - All other net position items that do not meet the definition of "Net investment in capital assets" or "Restricted".

2. Fund Statements

   Governmental fund equity is classified as fund balance. Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund 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 approval of a motion. Only the City Council may modify or rescind the commitment.

   - ***Assigned*** - Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council can authorize the City Clerk or designee 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 criteria. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Proprietary fund equity is classified the same as in the government-wide statements.

Fund balance flow assumptions-When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed.

For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

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

The following is a summary of the fund balance classifications as of June 30, 2021:

	General Fund	Special Revenue CHIP Grant	Capital Projects Special Sales Tax - 2013	Capital Projects Special Sales Tax - 2018	Other Governmental Funds	Total
Fund Balances:						
Nonspendable						
Prepaids	$ 46,041	$ -	$ -	$ -	$ -	$ 46,041
Inventory	1,252	-	-	-	-	1,252
Restricted for:						
Capital projects	76,476	-	148,616	915,388	100	1,140,580
Transportation projects	-	-	-	-	53,984	53,984
Confiscated assets-police	-	-	-	-	38,287	38,287
Military flags	40,998	-	-	-	-	40,998
Community Development		16,000	-	-	-	16,000
Unassigned	108,412	-	-	-	-	108,412
Total fund balances	$273,179	$ 16,000	$ 148,616	$ 915,388	$ 92,371	$1,445,554

Net position flow assumptions-Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted- net position and unrestricted- net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position.

N. Advertising Costs

Advertising costs are recorded as expenditures or expenses, as appropriate, in the period incurred. No advertising costs are capitalized.

O. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

P. Allowance for Uncollectible Accounts

Allowances for uncollectible accounts are maintained for all types of receivables which historically experience uncollectible accounts.

Q. Post-employment health care benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured for the actual month covered. This program is offered for duration of 18 months after the termination date. There is no associated cost to the City under this program.

R. Concentrations of Credit Risk

The City's Water and Sewer, Natural Gas, and Solid Waste Enterprise Funds services serve customers within the City of Cochran. The balance of receivables is composed mostly of residential and smaller commercial accounts. The City does not expect to incur significant losses as a result of these receivables. Management believes that the allowance for uncollectibles is adequate to cover all anticipated future losses on these receivables.

S. Use of Estimates

Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

T. Tax Abatement Agreements

During the year ended June 30, 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement Number 77, *Tax Abatement Disclosures.* This statement requires the City to disclose information for any tax abatement agreements either entered into by the City, or agreements entered into by other governments that reduce the City's tax revenues. As of June 30, 2021, the City did not have any such agreements, either entered into by the City or by other governments.

2. DEPOSITS AND INVESTMENTS

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Government may not be able to recover its deposits or recover collateral securities in the possession of an outside party. At year end, the City had deposits of $5,250,052 and the carrying amount for these deposits was $4,979,137. As of June 30, 2021, the City's deposits were fully insured or collateralized with securities held by the City, an agent in the name of the City, or securities pledged by the financial institution in the name of the City.

Georgia law authorizes local governments to invest in the following types of obligations:

- Obligations of the State of Georgia or any other state;
- Obligations issued by the United States;
- Obligations fully insured or guaranteed by the United States government or governmental agency;
- Obligations of any corporation of the United States Government;
- Prime bankers' acceptances;
- The State of Georgia Local Government Investment Pool;
- Repurchase agreements; and
- Obligations of other political subdivisions of the State of Georgia.

The City maintains only checking and interest-bearing savings accounts in Georgia financial institutions as permitted by OCGA 36-83-4. Restricted investments include cash and certificates of deposit which have been segregated under the provisions of the revenue bond agreement. These investments are stated at cost plus accrued interest which approximates market value.

Total deposits are reported under the following captions in the statement of net position:

Cash	$ 4,937,503
Restricted Investments, Current	41,635
Carrying Amount	4,979,138
Cash on hand	620
Totals	$ 4,979,758

Restricted investments are reported as current restricted assets on the balance sheet.

Discretely Presented Component Unit

The Cochran Downtown Development Authority does not have a deposit policy for custodial credit risk. As of June 30, 2021, the Cochran Downtown Development Authority's bank balance was 100% insured by the Federal Deposit Insurance Corporation.

3. PROPERTY TAXES

The City levies property taxes on September 1st of each year. Due date for these taxes is December 20th and the lien date is the following March 1st. Taxes are collected throughout the year.

Property taxes for the fiscal year ended June 30, 2021, were assessed at the net rate of 10.383 mills on the dollar on a total assessed valuation of $82,718,780.

In the governmental fund financial statements, property taxes are recorded as receivables and deferred at the time the tax levy is billed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible within sixty days following the close of the fiscal year are therefore susceptible to accrual in accordance with GAAP and have been recognized as revenue.

In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the City regardless of when cash is received. Over time, substantially all property taxes are collected.

4. ACCOUNTS RECEIVABLE

Receivables at year-end for the City's individual major funds and non-major funds in the aggregate and the related allowance for uncollectibles are as follows:

Governmental Funds	General Fund	CHIP Grant	Capital Projects SPLOST 2018	Nonmajor Governmental Funds	Total Governmental Funds
Taxes	$ 312,023	$ -	$ -	$ 2,098	$ 314,121
Less allowance for uncollectibles	(223,529)	-	-	-	(223,529)
Net taxes	$ 88,494	$ -	$ -	$ 2,098	$ 90,592
Fines	$ 219,796	$ -	$ -	$ -	$ 219,796
Less allowance for uncollectibles	(207,216)	-	-	-	(207,216)
Net fines	$ 12,580	$ -	$ -	$ -	$ 12,580
Intergovernmental	$ 72,266	$ 34,200	$ 87,756	$ 24,253	$ 218,475
Less allowance for uncollectibles	-	-	-	-	-
Net intergovernmental	$ 72,266	$ 34,200	$ 87,756	$ 24,253	$ 218,475
Others	$ 98,224	$ -	$ -	$ -	$ 98,224
Less allowance for uncollectibles	(66,836)	-	-	-	(66,836)
Net others	$ 31,388	$ -	$ -	$ -	$ 31,388

Proprietary Funds	Water and Sewer Fund	Natural Gas Fund	Solid Waste Fund	Total Proprietary Funds
Customer receivables	$ 793,114	$ 422,235	$ 322,499	$ 1,537,848
Less allowance for uncollectibles	(501,194)	(240,875)	(245,013)	(987,082)
Net customer receivables	291,920	181,360	77,486	550,766
Interest receivable	13,108	-	-	13,108
Net receivables	$ 305,028	$ 181,360	$ 77,486	$ 563,874
Intergovernmental	$ 209,129	$ -	$ -	$ 209,129
Less allowance for uncollectibles	-	-	-	-
Net intergovernmental	$ 209,129	$ -	$ -	$ 209,129

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, is as follows:

Description	Balance Beginning	Additions	Retirements	Transfers	Balance Ending
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 900,274	$ -	$ -	$ -	$ 900,274
Construction in progress	304,653	-	-	(304,653)	-
Total capital assets, not being depreciated	1,204,927	-	-	(304,653)	900,274
Capital assets, being depreciated:					
Infrastructure	6,473,733	87,713	-	304,653	6,866,099
Buildings and improvements	2,325,565	-	-	-	2,325,565
Improvements other than buildings	622,327	-	-	-	622,327
Machinery and equipment	3,609,476	204,912	26,470	-	3,787,918
Total capital assets, being depreciated	13,031,101	292,625	26,470	304,653	13,601,909
Less accumulated depreciation for:					
Infrastructure	1,632,761	169,632	-	-	1,802,393
Buildings and improvements	879,057	56,083	-	-	935,140
Improvements other than buildings	134,080	27,725	-	-	161,805
Machinery and equipment	2,563,676	320,489	26,470	-	2,857,695
Total accumulated depreciation	5,209,574	573,929	26,470	-	5,757,033
Governmental activities capital assets, net of accumulated depreciation:					
Capital assets, not being depreciated:					
Land	900,274	-	-	-	900,274
Construction in progress	304,653	-	-	(304,653)	-
Total capital assets, not being depreciated	1,204,927	-	-	(304,653)	900,274
Capital assets being depreciated, net of accumulated depreciation:					
Infrastructure	4,840,972	(81,919)	-	304,653	5,063,706
Buildings and improvements	1,446,508	(56,083)	-	-	1,390,425
Improvements other than buildings	488,247	(27,725)	-	-	460,522
Machinery and equipment	1,045,800	(115,577)	-	-	930,223
Total capital assets being depreciated, net of accumulated depreciation	7,821,527	(281,304)	-	304,653	7,844,876
Total governmental activities capital assets, net of accumulated depreciation	$ 9,026,454	$ (281,304)	$ -	$ -	8,745,150
Less: related long term debt outstanding					(87,676)
Net investment in capital assets					$ 8,657,474

Description	Balance Beginning	Additions	Transfers/ Retirements	Balance Ending
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 10,215	$ -	$ -	$ 10,215
Construction in progress	3,442,424	862,023	(26,633)	4,277,814
Total capital assets, not being depreciated	3,452,639	862,023	(26,633)	4,288,029
Capital assets, being depreciated:				
Buildings and improvements	35,512	-	-	35,512
Machinery and equipment	968,216	71,015	-	1,039,231
Water and sewerage system	13,532,865	239,473	26,633	13,798,971
Gas system	633,827	-	-	633,827
Transmission line	667,584	-	-	667,584
Total capital assets, being depreciated	15,838,004	310,488	26,633	16,175,125
Less accumulated depreciation for:				
Buildings and improvements	25,999	627	-	26,626
Machinery and equipment	722,942	73,029	-	795,971
Water and sewerage system	5,823,495	333,073	-	6,156,568
Gas system	492,021	6,233	-	498,254
Transmission line	577,971	3,564	-	581,535
Total accumulated depreciation	7,642,428	416,526	-	8,058,954
Business-type activities capital assets, net of accumulated depreciation:				
Capital assets not being depreciated:				
Land	10,215	-	-	10,215
Construction in progress	3,442,424	862,023	(26,633)	4,277,814
Total capital assets, not being depreciated	3,452,639	862,023	(26,633)	4,288,029
Capital assets being depreciated, net of accumulated depreciation:				
Buildings and improvements	9,513	(627)	-	8,886
Machinery and equipment	245,274	(2,014)	-	243,260
Water and sewerage system	7,709,370	(93,600)	(26,633)	7,642,403
Gas system	141,806	(6,233)	-	135,573
Transmission line	89,613	(3,564)	-	86,049
Total capital assets being depreciated, net of accumulated depreciation	8,195,576	(106,038)	(26,633)	8,116,171
Total business-type activities capital assets, net of accumulated depreciation	$ 11,648,215	$ 755,985	$ -	12,404,200
Less: related long term debt outstanding				(7,718,230)
Net investment in capital assets				$ 4,685,970

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

Governmental activities:	
General government	$ 44,533
Public safety	219,103
Public works	111,985
Airport	198,308
Total depreciation expense-governmental activities	$ 573,929
Business-type activities	
Water and sewer system	$ 406,438
Gas system	10,088
Solid waste system	-
Total depreciation expense- business-type activities	$ 416,526

6. JOINT VENTURES

The City of Cochran participates in three joint ventures, which are not part of the City's reporting entity.

A. The Mid-State Energy Commission

The Mid-State Energy Commission was established, effective January 1, 2021, by termination of the management agreement between the Jointly Owned Natural Gas, originally established in 1953, and its five member cities. The previous operations of the Jointly Owned Natural Gas venture were reestablished under a charter as the Mid-State Energy Commission in which each of the member cities owns the same percentage previously owned in the Joint Venture and each member city appoints a representative for governance purposes. The member cities include Warner Robins, Perry, Hawkinsville, Cochran and Byron, Georgia. The venture was established to provide maintenance and related services for the natural gas transmission line serving the member cities. Each city's share in the income and retained earnings of the joint venture is reported in the audited financial statements of the Joint Venture. The City's percentage of net income (loss) and retained earnings of the Joint Venture as of and for the periods ended December 31, 2020, and September 30, 2019, are reported in the Natural Gas Enterprise Fund as of and for the years ended June 30, 2021 and 2020.

The amounts allocated to the City of Cochran in the audited financial statements of the Joint Venture as of and for the periods ended December 31, 2020, and September 30, 2019, are as follows:

	2020	2019
Retained earnings, beginning	$ 835,745	$ 867,576
Net income (loss) for the year	(26,866)	(31,831)
Retained earnings, ending	$ 808,879	$ 835,745

The above amounts are reported in the Natural Gas Enterprise Fund of the City of Cochran as of and for the years ended June 30, 2021 and 2020, are as follows:

	2021	2020
Investment in joint venture	$ 808,879	$ 835,745
Net income (loss) from joint venture	$ (26,866)	$ (31,831)

The audited financial statements of the Joint Venture are available at City Hall, P.O. Box 8, Cochran, Georgia 31014.

B. Cochran-Bleckley Emergency Management Office

The Cochran-Bleckley Emergency Management Office is a joint venture between the City of Cochran, Georgia and Bleckley County, Georgia. The net monthly cost of operations of this joint venture is paid equally by the City and the County. The General Fund of the City of Cochran had no expenditures for the year ended June 30, 2021. The operations, capital assets and long-term debt were transferred to the books and records of Bleckley County, Georgia, under agreement with the City of Cochran and Bleckley County, Georgia, for 2004 and future years.

C. Regional Commission

Under Georgia law, the City, in conjunction with municipalities and counties in the eleven (11) county Heart of Georgia area are members of the Heart of Georgia Regional Commission (HGRC). Membership in the HGRC is required for each municipality and county in the Heart of Georgia region. The Official Code of Georgia Section 50-8-34 provides for the organizational structure.

The HGRC Board membership includes the elected official of each county and the chief elected official of each municipality. The City board members and 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) to serve as a nonpublic member and a minority member who must be an elected official to serve as board members from a County. O.C.G.A. 50-8-39.1 provides that the member governments are liable for any debts or obligations of the HGRC. Separate financial statements for the HGRC are available from: Heart of Georgia Regional Commission, 5405 Oak Street, Eastman, GA 31023.

7. COMPLIANCE

The City levies and collects a five percent hotel/motel tax in accordance with the provisions of OCGA 48-13-51. The City has complied with the expenditure requirements of this code section as required under Code Section 36-81-7. Presented below is a table which summarizes hotel/motel tax transactions during the current fiscal year and is reported in the special revenue fund:

Total Hotel/Motel tax funds expended	$ 19,353
Total Hotel/Motel tax receipts	$ 19,353
Percentage of expenditures to tax receipts	100 %

Deficit Fund Balance/Net Position-

No individual funds had deficit fund balances/net position.

Excess of Expenditures Over Appropriations in Individual Departments and Budget Compliance:

The following individual funds/departments had expenditures in excess of appropriations in the current year:

General Fund-Public safety	$24,495
General Fund-Debt service principal	$17,557
General Fund-Transfers out	$ 630

The CHIP Grant Special Revenue Fund did not adopt a balanced budget for the current year.

8. LONG-TERM LIABILITIES

The following is a summary of debt transactions of the City of Cochran for the year ended June 30, 2021:

	Balance Beginning	Increases	Decreases	Balance Ending	Amounts Due Within One Year	Long-term Portion
Governmental Activities:						
Compensated absences	$ 126,581	$ -	$ 14,698	111,883	$ 72,724	$ 39,159
Capital leases	154,110	10,923	77,357	87,676	39,540	48,136
Net pension liability	869,643	-	569,129	300,514	-	300,514
Total Governmental Activities	$ 1,150,334	$ 10,923	$ 661,184	$ 500,073	$ 112,264	$ 387,809

	Balance Beginning	Increases	Decreases	Balance Ending	Amounts Due Within One Year	Long-Term Portion
Business-Type Activities:						
Compensated Absences	$ 26,122	$ 7,637	$ -	$ 33,759	$ 21,943	$ 11,816
Revenue Bonds Payable- Series 2014	3,395,000	-	100,000	3,295,000	105,000	3,190,000
Less: discount	(23,134)	974	-	(22,160)	(974)	(21,186)
Total Revenue Bonds	3,371,866	974	100,000	3,272,840	104,026	3,168,814
Notes Payable	3,853,437	621,534	29,581	4,445,390	197,352	4,248,038
Net Pension Liability	137,703	-	90,296	47,407	-	47,407
Total Business-Type Activities	$ 7,389,128	$ 630,145	$ 219,877	$ 7,799,396	$ 323,321	$ 7,476,075

Details of capital leases and notes payable are as follows:

	Balance Beginning	Additions	Retirements	Balance Ending
Governmental Activities:				
Capital Leases:				
3.2% Capital lease payable, with quarterly payments of $11,938, including interest, original principal of $178,613, made on February 2, 2017, incurred to purchase three police vehicles and one animal control truck	$ 35,622	$ -	$ 35,622	$ -
4.28% Capital lease payable, with quarterly payments of $5,700, including interest, original principal of $83,419, made on June 17, 2019, incurred to purchase two police vehicles	63,928	-	20,393	43,535
4.62% Capital lease payable, with quarterly payments of $1,699 including interest, original principal of $24,685, made on July 18, 2019, incurred to purchase a code enforcement vehicle	20,396	-	5,954	14,442
3.49% Capital lease payable, with quarterly payments of $2,297 including interest, original principal of $34,164, made on April 17, 2020, incurred to purchase the fire chief's vehicle	34,164	-	8,106	26,058
0.0% Capital lease payable, with annual payments of $3,641, original principal of $10,923, incurred to purchase Taser equipment for the police department	-	10,923	7,282	3,641
Total Capital Leases Payable-Governmental Activities	$ 154,110	$ 10,923	$ 77,357	$ 87,676

	Balance Beginning	Additions	Retirements	Balance Ending
Business-Type Activities:				
Revenue Bonds Payable-				
2.00% graduating to 3.25% by 2044 Revenue bond payable, (Series 2014), with payments due semi-annually in increasing amounts beginning April 1, 2015, original principal amount of $4,025,000 made on October 30, 2014, with final payment due on April 1, 2044, incurred to extend and improve the water and sewer system	$ 3,371,866	$ -	$ 99,026	$ 3,272,840
Total Revenue Bonds Payable-Business-Type Activities	$ 3,371,866	$ -	$ 99,026	$ 3,272,840
Notes Payable:				
1.03% GEFA note payable on the first day of each calendar month. Until October 1, 2017, the loan was interest-only with interest calculated each month based on amounts previously disbursed by the City. Beginning November 1, 2017, principal and interest payments in the amount of $5,880.73 began and are payable in 239 consecutive monthly installments due on the first day of each month. The amount financed is $1,275,000 for the purpose of rehabilitating sewers within the City's wastewater collection system. Principal and interest was deferred beginning June 1, 2020 and ending December 31, 2020, with payments recommencing on January 1, 2021	$ 1,119,781	$ -	$ 29,581	$ 1,090,200
1.31% GEFA note payable, with accrued interest payable monthly on the first day of each calendar month until the first day of the calendar month following the earlier of (1) the completion date, (2) March 31, 2020, or (3) the date that the funds are fully disbursed. Principal and interest payments on this note shall be payable in 239 consecutive monthly installments commencing on the first day of the calendar month following the amortization commencement date. The total approved loan is $2,572,500 for the purpose of rehabilitating the City's drinking water distribution system. An "Interest-Free Period" began June 1, 2020 and ended on December 31, 2020 with payments recommencing on January 1, 2021	1,757,461	54,370	-	1,811,831
1.03% GEFA note payable, with accrued interest payable monthly on the first day of each calendar month until the first day of the calendar month following the earlier of (1) the completion date, (2) March 31, 2020, or (3) the date that the funds are fully disbursed. Principal and interest payments on this note shall be payable in 239 consecutive monthly installments commencing on the first day of the calendar month following the amortization commencement date. The total approved loan is $2,500,000 for the purpose of rehabilitating sewers within the City's wastewater collection system. An "Interest-Free Period" began June 1, 2020 and ended on December 31, 2020 with payments recommencing on January 1, 2021	976,195	567,164	-	1,543,359
Total Notes Payable-Business-Type Activities	$ 3,853,437	$ 621,534	$ 29,581	$ 4,445,390

The total assets recorded in the governmental activities statement of net position under capital leases outstanding at June 30, 2021, is $334,921 with accumulated amortization of $221,947. Accumulated amortization on assets recorded under capital leases is included in accumulated depreciation. This year, $62,047 was included in depreciation expense.

The combined aggregate amount of maturities and sinking fund requirements of long-term borrowings is as follows:

	Governmental Activities								
Year ending	Notes Payable			Capital Leases			Totals		
June 30	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	$ -	$ -	$ -	$ 39,540	$ 2,883	$ 42,423	$ 39,540	$ 2,883	$ 42,423
2023	-	-	-	37,466	1,368	38,834	37,466	1,368	38,834
2024	-	-	-	10,670	215	10,885	10,670	215	10,885
Totals	$ -	$ -	$ -	$ 87,676	$ 4,466	$ 92,142	$ 87,676	$ 4,466	$ 92,142

	Business-Type Activities								
Year ending	Revenue Bonds			Notes Payable			Totals		
June 30	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	$ 104,026	$ 99,549	$ 203,575	$ 197,352	$ 48,367	$ 245,719	$ 301,378	$ 147,916	$ 449,294
2023	104,026	96,924	200,950	212,197	46,034	258,231	316,223	142,958	459,181
2024	109,026	94,268	203,294	214,622	43,673	258,295	323,648	137,941	461,589
2025	109,026	91,518	200,544	217,076	41,284	258,360	326,102	132,802	458,904
2026	114,026	88,665	202,691	219,558	38,868	258,426	333,584	127,533	461,117
2027-2031	615,130	392,036	1,007,166	1,136,042	157,097	1,293,139	1,751,172	549,133	2,300,305
2032-2036	720,130	292,415	1,012,545	1,202,561	92,322	1,294,883	1,922,691	384,737	2,307,428
2037-2041	830,130	173,173	1,003,303	1,045,982	27,266	1,073,248	1,876,112	200,439	2,076,551
2041-2045	567,320	30,670	597,990	-	-	-	567,320	30,670	597,990
Totals	$3,272,840	$1,359,218	$4,632,058	$4,445,390	$494,911	$4,940,301	$7,718,230	$1,854,129	$9,572,359

Total interest paid on long-term debt was $130,052 during the year ended June 30, 2021.

Governmental Activities			Business Type Activities		
Total Interest	Less Direct Interest	Net Interest	Total Interest	Less Capitalized Interest	Net Interest
$ 4,913	$ -	$ 4,913	$ 125,613	$ 18,204	$ 107,409

The City had no earnings on unexpended debt proceeds and, accordingly, federal arbitrage regulations do not currently apply.

For governmental activities, compensated absences and net pension liability are generally liquidated by the general fund.

For business-type activities, compensated absences and net pension liability are liquidated by the proprietary funds.

The City has several annually renewable leases on office equipment with no contingent payments included therein. Total equipment rental during the current year was $9,451.

The City has three GEFA notes payable, with a total outstanding principal balance of $4,445,930 as of June 30, 2021, which were placed on an “interest-free period” which commenced on June 1, 2020 and ended December 31, 2020.

9. GEFA CONSTRUCTION / REHABILITATION PROJECTS

The City has entered into the following loan agreements with Georgia Environmental Finance Authority (GEFA) to finance construction / rehabilitation projects in the Water and Sewer Fund:

Drinking Water State Revolving Fund (Project Number DWSRF 15-019) for $2,572,500 dated February 23, 2016 for the rehabilitation of the City’s drinking water distribution system. The loan agreement includes a provision to forgive $500,000 of the loan amount, if all funds are drawn.

Clean Water State Revolving Fund (Project Number CWSRF 15-009) for $2,500,000 dated February 23, 2016, for the rehabilitation of existing sewer lines and manholes. The loan agreement includes a provision to forgive $500,000 of the loan amount, if all funds are drawn.

10. RESTRICTED ASSETS - PROPRIETARY FUNDS

The revenue bonds payable require the restriction of certain fund assets for the purpose designated by the revenue bond agreement. The assets so designated have been identified as "restricted investments" on the balance sheet and includes cash in banks. The significant requirements of the bond covenants were met on a timely basis through June 30, 2021.

11. INTERFUND BALANCES AND TRANSFERS

Interfund balances and transfers as of and for the year ended June 30, 2021, were for routine operating functions in payroll and debt service administration. The interfund balances are expected to be repaid within one year from June 30, 2021.

Interfund balances of amounts due to/from other funds and transfers by fund as of and for the year ended June 30, 2021, are as follows:

	Due To-	
Due From-	General Fund	Totals
Hotel/Motel Tax	$ 2,098	$ 2,098
Totals	$ 2,098	$ 2,098

	Transfers Out		
Transfers In:	CHIP Grant	General Fund	Totals
General Fund	$ 2,000	$ -	$ 2,000
Airport	-	630	630
Totals	$ 2,000	$ 630	$ 2,630

12. GRANTS

In the normal course of operations, the City, receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

13. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage in the current year. Commercial insurance premiums totaled $155,525.

14. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

There are no lawsuits currently pending against the City.

15. PENSION PLANS

A. Plan Description

The City's defined benefit plan, City of Cochran Retirement Plan, is administered through the Board of Trustees of the Georgia Municipal Employees Benefit System Retirement Fund (GMEBS) an agent multiple employer pension fund. The plan was established by a City ordinance under authority of Georgia law. 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 GMEBS issues a publicly available financial report that includes financial statements and required supplemental information for GMEBS. That report may be obtained at City Hall of Cochran, Georgia, or by contacting the Georgia Municipal Association Risk Management and Employee Benefit Services, 201 Pryor Street, S.W., Atlanta, Georgia 30303-3606.

The plan provides benefits upon retirement, death, disablement, and termination of employment to plan participants and beneficiaries, if certain eligibility conditions are met. All employees who work at least thirty hours per week are eligible to participate. The plan also covers City officials elected since December 1, 1991. Employees were eligible to participate after completion of one year of service. Elected City officials are immediately eligible to participate. Effective January 1, 2015, the plan was amended to provide for immediate participation for employees. Employees are considered vested after ten years of service and City officials are vested immediately. Normal retirement age for employees is the earlier of age sixty-five with five years of service or upon the completion of thirty (twenty-five for police officers and firefighters) years of service, whichever is earlier. Normal retirement date for elected or appointed officials is age sixty-five or upon the completion of thirty years of service, whichever is earlier. All participants may elect early retirement upon the attainment of age fifty-five with a minimum of ten years of service.

The monthly retirement benefits, upon normal retirement, are as follows:

Full-time employees:

> One-twelfth (1/12) the sum of: one percent (1%) of the Participant's Final Average Earnings up to the amount of Covered Compensation for the Participant's applicable year of birth, plus one and three-fourths percent (1-3/4%) of the Participant's Final Average Earnings in excess of the Covered Compensation applicable to the Participant, multiplied by years of Total Credited Service.

Elected or appointed members:

> Twenty dollars per month for each year of Service or major fraction thereof. However, in no event shall the Participant's Monthly Retirement Benefit exceed 100% of the monthly salary he was receiving as an elected or appointed member of the governing authority immediately prior to his retirement.

Benefits are adjusted accordingly for early retirement and delayed retirement.

As of July 1, 2021, pension plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	33
Vested terminated employees	24
Active employees	44
Active elected officials	6
Total membership in the plan	107

Contributions - The City is required to contribute based on actuarial funding policy. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the 30 year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10 year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). Plan provisions and contribution requirements are established by state statute and may be amended by the State. City contributions to the Plan were $133,861 for the year ended June 30, 2021.

B. Net Pension Liability

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

The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

Actuarial assumptions - The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25% plus service based merit increases
Investment rate of return	7.375%

Mortality rates were based on the Sex-Distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table multiplied by 1.25 for healthy participants. For disabled participants, the Sex-Distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 was used. Mortality rates on a plan termination basis for all lives are based on the 1994 Group Annuity Reserving Unisex Table.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building- block method in which best-estimate ranges of expected future real rates of return (expected returns, net 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 target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	7.05%
Global fixed income	5%	1.25%
Domestic fixed income	20%	1.15%
Real estate	10%	4.50%
Cash	0%	0%
Total	100%	

Discount rate - The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City – The changes in the components of the net pension liability of the City for the year ended June 30, 2021, were as follows:

	Schedule of Changes in Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, beginning of year	$ 4,630,455	$ 3,623,109	$ 1,007,346
Changes for the year:			
Service cost	33,022	-	33,022
Interest	169,687	-	169,687
Differences between expected and acutal experience	37,233	-	37,233
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Other	-	-	-
Contributions-employer	-	66,104	(66,104)
Contributions-employee	-	-	-
Net investment income	-	839,781	(839,781)
Benefit payments, including refunds	(123,606)	(123,606)	-
Administrative expense	-	(6,518)	6,518
Net changes	116,336	775,761	(659,425)
Balance, end of year	$ 4,746,791	$ 4,398,870	$ 347,921

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

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

	1% Decrease	Current Discount Rate	1% Increase
	6.375%	7.375%	8.375%
City's Net Pension Liability	$ 921,735	$ 342,921	$ (132,579)

Changes of assumptions:

Assumption changes reflected in the last two fiscal years are as follows:

The valuation dates were changed from July 1 to January 1.

Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December of 2019.

The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 Head-count weighted healthy Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 Head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct rates under the 2019 OASDI Trustees Report used for the intermediate alternative. Previously future mortality improvements were not explicitly projected.

The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.

The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.

Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.

Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.

Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.

The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.

The disability rates were changed to 50% of the rates in the prior age-based table.

The inflation assumption was decreased from 2.75% to 2.25%.

The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.

The investment return assumption was decreased from 7.50% to 7.375%.

Benefit changes

There were no changes in benefit provisions in the last two fiscal years.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2020 and the current sharing pattern of costs between employer and employee.

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

Pension Expense:		
Service cost	$	33,022
Interest on TPL		169,687
Employee contributions		-
Administrative expense		6,518
Expected return on assets		(132,422)
Expensed portion of current year period differences between expected and actual experience in TPL		9,309
Expensed portion of current year period assumption changes		-
Current year plan changes		-
Expensed portion of current year period differences between projected and actual investment earnings		(141,471)
Current year recognition of deferred inflows and outflows established in prior years		162,210
Total expense	$	106,853

For the year ended June 30, 2021, the City recognized pension expense of $106,853. As of June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 54,090	$ (131,420)
Contributions made subsequent to measurement date	100,809	-
Changes of assumptions	177,637	-
Net difference between projected and actual earnings on pension plan investments	-	(159,714)
Total	$ 332,536	$ (291,134)

City contributions subsequent to the measurement date of $100,809 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	$ 112,639	$ (124,035)
2023	76,289	(61,187)
2024	42,799	(21,227)
2025	-	(84,685)
Total projected recognition of Deferred Outflows/Inflows	$ 231,727	$ (291,134)

16. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The following table provides detail regarding the deferred outflows and inflows of resources on the government-wide statement of net position for governmental activities and business-type activities, and on the proprietary funds statements of net position for the water and sewer fund, natural gas fund, and the solid waste fund:

	Government-Wide		Proprietary Funds		
	Governmental Activities	Business-Type Activities	Water and Sewer Fund	Natural Gas Fund	Solid Waste Fund
Deferred Outflows-					
Pensions:					
Differences between expected and actual experience	$ 46,720	$ 7,370	$ 7,370	$ -	$ -
City contributions subsequent to measurement date	87,073	13,736	13,736	-	-
Changes of assumptions	153,432	24,205	24,205	-	-
Total deferred outflows	$ 287,225	$ 45,311	$ 45,311	$ -	$ -
Deferred Inflows-					
Pensions:					
Differences between expected and actual experience	$ (113,513)	$ (17,907)	$ (17,907)	$ -	$ -
Changes of assumptions	-	-	-	-	-
Net Difference between projected and actual earnings on investments	(137,951)	(21,763)	(21,763)	-	-
Total deferred inflows	$ (251,464)	$ (39,670)	$ (39,670)	$ -	$ -

17. EVALUATION OF SUBSEQUENT EVENTS

The City has evaluated subsequent events through June 22, 2022, the date which the financial statements were available to be issued.

During March 2020, the City modified operations as a result of the COVID-19 pandemic and, in compliance with state and federal recommendations. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, all of which are uncertain. Accordingly, the extent to which COVID-19 may impact the financial condition or results of operations of the City cannot be determined.

The City refunded outstanding Series 2014 Water and Sewer Revenue Bonds with Series 2021 Water and Sewer Revenue Bonds totaling $3,395,000 on November 22, 2021, at a rate of 2.8 percent.

18. RESTRICTED NET POSITION

Details of the restricted net position reported on the government-wide Statement of Net Position are as follows:

	Restricted by Enabling Legislation	External or Constitutional Restrictions	Total
Restricted for:			
Capital projects	$ 1,140,580	$ -	$ 1,140,580
Transportation projects	53,984	-	53,984
Confiscated assets-police	38,287	-	38,287
Debt service	41,635	-	41,635
Military flags	-	40,998	40,998
Balance, end of year	$ 1,274,486	$ 40,998	$ 1,315,484

Required Supplementary Information

CITY OF COCHRAN, GEORGIA
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (GAAP Basis) and Actual - General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES:				
Taxes	$2,141,700	$2,141,700	$2,428,060	$286,360
Licenses and permits	65,520	65,520	54,154	(11,366)
Intergovernmental	1,859,092	1,859,092	1,229,480	(629,612)
Charges for services	254,500	254,500	287,200	32,700
Fines and forfeitures	301,000	301,000	179,095	(121,905)
Miscellaneous	26,500	26,500	46,784	20,284
Total Revenues	4,648,312	4,648,312	4,224,773	(423,539)
EXPENDITURES:				
Current:				
General government	1,361,462	1,361,462	1,022,768	338,694
Public safety	1,691,081	1,691,081	1,715,576	(24,495)
Public works	1,317,279	1,317,279	873,534	443,745
Airport	69,200	69,200	54,351	14,849
Community development	153,690	153,690	87,490	66,200
Debt service:				
Principal	59,800	59,800	77,357	(17,557)
Interest	5,300	5,300	4,913	387
Total Expenditures	4,657,812	4,657,812	3,835,989	821,823
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,500)	(9,500)	388,784	398,284
OTHER FINANCING SOURCES:				
Transfers in	-	-	2,000	2,000
Transfers (out)	-	-	(630)	(630)
Issuance of capital lease	-	-	10,923	10,923
Sale of capital assets	9,500	9,500	-	(9,500)
Total Other Financing Sources	9,500	9,500	12,293	2,793
NET CHANGE IN FUND BALANCE	-	-	401,077	401,077
FUND BALANCE-BEGINNING	(127,898)	(127,898)	(127,898)	-
FUND BALANCE (DEFICIT)-ENDING	$ (127,898)	$ (127,898)	$ 273,179	$401,077

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF COCHRAN, GEORGIA
Required Supplementary Information
Schedule of Contributions
Georgia Municipal Employees Benefit System
For the Fiscal Year Ended June 30, 2021

	Fiscal Year End June 30						
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Actuarially determined contribution	$ 135,514	$ 132,209	$ 155,216	$ 123,276	$ 110,784	$ 136,669	$ 161,178
Contributions in relation to the actuarially determined contribution	133,861	132,209	155,216	123,276	110,784	136,669	161,178
Contribution deficiency (excess)	$ 1,653	$ -	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	$1,672,957	$1,628,438	$1,803,294	$1,850,173	$1,599,499	$1,486,855	$1,413,489
Contributions as a percentage of covered-employee payroll	8.00%	8.12%	8.61%	6.66%	6.93%	9.19%	11.40%

Note: This schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF COCHRAN, GEORGIA
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Georgia Municipal Employees Benefit System
For the Fiscal Year Ended June 30, 2021

	Fiscal Year Ended June 30						
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Total Pension Liability							
Service cost	$ 33,022	$ 78,987	$ 80,994	$ 71,745	$ 71,193	$ 88,539	$ 79,124
Interest	169,687	318,045	324,443	297,486	291,591	284,759	287,625
Differences between expected and actual experience	37,233	(69,937)	(233,891)	209,328	(36,184)	(32,077)	(107,126)
Changes in assumptions	-	-	-	81,466	-	-	(55,781)
Changes in benefit terms	-	-	-	-	-	-	-
Other	-	267,924	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(123,606)	(252,361)	(257,325)	(249,967)	(251,103)	(255,015)	(226,634)
Net change in total pension liability	116,336	342,658	(85,779)	410,058	75,497	86,206	(22,792)
Total pension liability-beginning	4,630,455	4,287,797	4,373,576	3,963,518	3,888,021	3,801,815	3,824,607
Total pension liability-ending	$4,746,791	$4,630,455	$4,287,797	$4,373,576	$3,963,518	$3,888,021	$3,801,815
Plan Fiduciary Net Position							
Contributions-employer	$ 66,104	$ 149,464	$ 121,892	$ 120,153	$ 133,321	$ 155,051	$ 185,951
Contributions-employee	-	-	-	-	-	-	-
Net investment income	839,781	(271,338)	141,848	455,860	422,124	10,212	314,321
Benefit payments, including refunds of employee contributions	(123,606)	(252,361)	(257,325)	(249,967)	(251,103)	(255,015)	(226,634)
Administrative expense	(6,518)	(15,771)	(14,748)	(14,445)	(14,786)	(10,307)	(9,572)
Other	-	-	-	-	-	-	-
Net change in fiduciary net position	775,761	(390,006)	(8,333)	311,601	289,556	(100,059)	264,066
Plan fiduciary net position-beginning	3,623,109	4,013,115	4,021,448	3,709,847	3,420,291	3,520,350	3,256,284
Plan fiduciary net position-ending	$4,398,870	$3,623,109	$4,013,115	$4,021,448	$3,709,847	$3,420,291	$3,520,350
Net Pension Liability							
Net pension liability-ending	$ 347,921	$1,007,346	$ 274,682	$ 352,128	$ 253,671	$ 467,730	$ 281,465
Plan's fiduciary net position as a percentage of the total pension liability	92.67%	78.25%	93.59%	91.95%	93.60%	87.97%	92.60%
Covered-employee payroll	1,672,957	1,628,438	1,803,294	1,850,173	1,599,499	1,486,855	1,413,489
Net pension liability as a percentage of covered-employee payroll	20.80%	61.86%	15.23%	19.03%	15.86%	31.46%	19.91%

Note: This schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

The accompanying notes to required supplementary information are an integral part of this schedule.

Budgetary Control

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the City Council. Within these control levels, management may transfer appropriations without Council approval.

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budget:

1. Prior to May 15, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means by which they are to be financed.

2. The City Council holds a public hearing on the budget, giving notice thereof at least 10 days in advance by publication in the official organ of the City of Cochran.

3. The budget is then revised and adopted or amended by the City Council at the first regular meeting prior to July 1 of the year to which it applies.

4. The budget so adopted may be revised during the year only by formal action of the City Council in a regular meeting and no increase shall be made therein without provision also being made for financing same.

5. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

6. Budgeted amounts are as originally adopted, or as amended by the Council. No amendments were made to the current year's budget. Appropriated annual budgets have been legally adopted for the General Fund, Special Revenue Funds and Enterprise Funds. A project length budget is adopted for the Capital Projects Funds.

Excess of Expenditures over Appropriations in Individual Departments and Budget Compliance

The following individual funds/departments had expenditures in excess of appropriations in the current year:

General Fund-Public safety	$24,495
General Fund-Debt service principal	$17,557
General Fund-Transfers out	$ 630

The CHIP Grant Special Revenue Fund did not adopt a balanced budget for the current year.

Georgia Municipal Employees Benefit System

This note describes assumption and benefit changes reflected in the last two fiscal years.

***Changes of assumptions*:**

This information is provided in Note 15 in the Notes to the Financial Statements.

Benefit Changes

There were no changes in benefit provisions in the last two fiscal years.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2021, and the current sharing pattern of costs between employer and employee.

***Methods and assumptions used to determine contribution rates*:**

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for the remaining unfunded liability.
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 15 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 the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service-based merit increases.
Cost of Living Adjustments	0.00%
Retirement Age	Employees-age 65 plus 5 years of service or after 30 years of service; Officials-age 65 or after 30 years of service; Class 1 (Police & Fire)-age 65 plus 5 years of service or after 25 years of service.
Mortality	*Healthy retirees and beneficiaries:* Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 *Disabled participants:* Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 *Active participants, terminated vested participants, and deferred beneficiaries:* Sex-distinct Pri-2012 head-count weighted Employee Mortality Table *Plan termination basis (all lives):* 1994 Group Annuity Reserving Unisex Table

The mortality tables (other than the one used for the plan termination basis) are projected generationally at 60% of the Sex-Distinct Improvement Rates under the 2019 OASDI Trustee's Report used for the intermediate alternative.

Supplementary Information

CITY OF COCHRAN, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Capital Projects Airport	Capital Projects-CDBG 2016	Special Revenue-Confiscated Assets	Special Revenue-Hotel/ Motel Tax	Special Revenue-TIA Sales Tax	Total Nonmajor Governmental Funds
ASSETS:						
Cash	$ -	$ 100	$ 38,287	$ -	$ 48,109	$ 86,496
Receivables, net:						
Taxes	-	-	-	2,098	-	2,098
Intergovernmental	-	17,813	-	-	6,440	24,253
TOTAL ASSETS	$ -	$ 17,913	$ 38,287	$ 2,098	$ 54,549	$ 112,847
LIABILITIES:						
Accounts payable	$ -	$ 17,813	$ -	$ -	$ 565	$ 18,378
Due to other funds	-	-	-	2,098	-	2,098
Total Liabilities	-	17,813	-	2,098	565	20,476
FUND BALANCE:						
Restricted:						
Capital projects	-	100	-	-	-	100
Transportation projects	-	-	-	-	53,984	53,984
Confiscated assets-police	-	-	38,287	-	-	38,287
Total Fund Balance (Defici	-	100	38,287	-	53,984	92,371
TOTAL LIABILITIES AND FUND BALANCE	$ -	$ 17,913	$ 38,287	$ 2,098	$ 54,549	$ 112,847

CITY OF COCHRAN, GEORGIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

	Capital Projects Airport	Capital Projects-CDBG 2016	Special Revenue-Confiscated Assets	Special Revenue-Hotel/ Motel Tax	Special Revenue-TIA Sales Tax	Total Nonmajor Governmental Funds
REVENUES:						
Taxes	$ -	$ -	$ -	$ 19,353	$ 76,986	$ 96,339
Intergovernmental	8,164	298,510	-	-	-	306,674
Miscellaneous	-	-	12,257	-	53	12,310
Total Revenues	8,164	298,510	12,257	19,353	77,039	415,323
EXPENDITURES:						
Current:						
Public safety	-	-	8,262	-	-	8,262
Public works	-	-	-	-	47,699	47,699
Community development	-	-	-	19,353	-	19,353
Capital Outlay	8,794	298,510	-	-	-	307,304
Total Expenditures	8,794	298,510	8,262	19,353	47,699	382,618
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(630)	-	3,995	-	29,340	32,705
OTHER FINANCING SOURCES						
Transfers in	630	-	-	-	-	630
NET CHANGES IN FUND BALANCE	-	-	3,995	-	29,340	33,335
FUND BALANCE, BEGINNING	-	100	34,292	-	24,644	59,036
FUND BALANCE, ENDING	$ -	$ 100	$ 38,287	$ -	$ 53,984	$ 92,371

CITY OF COCHRAN, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Nonmajor Governmental Fund
Special Revenue – Confiscated Assets
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance With Final Budget
REVENUES -			
Miscellaneous	$ 10,000	$ 12,257	$ 2,257
Total Revenues	10,000	12,257	2,257
EXPENDITURES -			
Current -			
Public safety	10,000	8,262	1,738
Total Expenditures	10,000	8,262	1,738
EXCESS OF REVENUES OVER EXPENDITURES	-	3,995	3,995
NET CHANGE IN FUND BALANCE	-	3,995	3,995
FUND BALANCE-BEGINNING	12,979	34,292	21,313
FUND BALANCE-ENDING	$ 12,979	$ 38,287	$ 25,308

CITY OF COCHRAN, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Nonmajor Governmental Fund
Special Revenue – Hotel/Motel Tax
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance With Final Budget
REVENUES -			
Taxes	$ 20,000	$ 19,353	$ (647)
Total Revenues	20,000	19,353	(647)
EXPENDITURES -			
Current -			
Community development	20,000	19,353	647
Total Expenditures	20,000	19,353	647
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, BEGINNING	-	-	-
FUND BALANCE, ENDING	$ -	$ -	$ -

CITY OF COCHRAN, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Nonmajor Governmental Fund
Special Revenue – TIA Sales Tax
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance With Final Budget
REVENUES:			
Taxes	$ 50,000	$ 76,986	$ 26,986
Miscellaneous	-	53	53
Total Revenues	50,000	77,039	27,039
EXPENDITURES -			
Current -			
Public works	50,000	47,699	2,301
Total Expenditures	50,000	47,699	2,301
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	29,340	29,340
NET CHANGE IN FUND BALANCE	-	29,340	29,340
FUND BALANCE, BEGINNING	24,644	24,644	-
FUND BALANCE, ENDING	$ 24,644	$ 53,984	$ 29,340

CITY OF COCHRAN, GEORGIA
Schedule of Special Purpose Local Option Sales Tax Expenditures
For the Period Ended June 30, 2021

Project	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total
Beginning 2013:					
Roads and Streets	$ 530,600	$ 530,600	$ 330,077	$ 142,163	$ 472,240
Fire Department	100,000	100,000	77,171	-	77,171
Sewer System	625,000	625,000	456,302	85,809	542,111
Water System	330,000	330,000	272,003	38,474	310,477
Police Department	200,000	200,000	208,514	-	208,514
Public Library	15,000	15,000	4,969	5,762	10,731
Recreation Department	175,200	175,200	207,930	-	207,930
Emergency Management Agency	24,000	24,000	9,987	-	9,987
Total 2013 SPLOST	$ 1,999,800	$ 1,999,800	$ 1,566,953	$ 272,208	$ 1,839,161

CITY OF COCHRAN, GEORGIA
Schedule of Special Purpose Local Option Sales Tax Expenditures
For the Period Ended June 30, 2021

Project	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total
Beginning 2018:					
Roads and Streets	$ 375,000	$ 375,000	$ -	$ -	$ -
Sewer System	709,600	709,600	-	-	-
Downtown Improvements	125,000	125,000	259	-	259
Fire Department Equipment	150,000	150,000	-	3,900	3,900
Police Department Equipment	200,000	200,000	9,029	67,507	76,536
City Hall Improvements	250,000	250,000	57,108	12,870	69,978
Library	15,000	15,000	-	-	-
Recreation Department	175,200	175,200	55,732	18,496	74,228
Total 2018 SPLOST	$ 1,999,800	$ 1,999,800	$ 122,128	$ 102,773	$ 224,901

CITY OF COCHRAN, GEORGIA
Community Development Block Grant Program
Source and Application of Funds Schedule
Grant # 16p-x-012-2-5842
For the Period October 7, 2016 through June 30, 2021

I.	Total Fiscal Year 2016 CDBG Funds Awarded to Recipient	$ 500,000
II.	Total Amount Drawn Down by Recipient from CDBG	$ 457,270
III.	Less:CDBG Funds Expended by Recipient	457,270
IV.	Amount of Fiscal Year 2016 CDBG Funds Held by Recipient	$ -

CITY OF COCHRAN, GEORGIA
Community Development Block Grant Program
Project Cost Schedule
Grant # 16p-x-012-2-5842
For the Period October 7, 2016 through June 30, 2021

Program Activity	Activity Code	Latest Approved Budget	Accumulative Expenditures To Date	Accumulative Expenditures To Date Other Funds	Grand Total of Expenditures To Date	Questioned Costs
Contingency	022-00	$ 28,245	$ -	$ -	$ -	$ -
Water Facilities	03J-01	140,700	140,700	115,851	256,551	-
Flood and Drainage Construction	03K-02	63,720	57,817	-	57,817	-
Street Improvements	03K-01	237,335	228,753	52,552	281,305	-
Administration	21A-00	30,000	30,000	-	30,000	-
Totals		$500,000	$ 457,270	$ 168,403	$ 625,673	$ -

Single Audit Section

CITY OF COCHRAN, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through To Subrecipients	Federal Expenditures
Environmental Protection Agency				
Passed through Georgia Environmental Finance Authority:				
Clean Water State Revolving Funds	66.458	CWSRF 15-009	$ -	$ 708,955
Subtotal CWSRF Cluster CFDA 66.458			-	708,955
Drinking Water State Revolving Funds	66.468	DWSRF 15-019	-	67,468
Subtotal DWSRF Cluster CFDA 66.468			-	67,468
Total Environmental Protection Agency			-	776,423
U. S. Department of Treasury				
Passed through Governor's Office of Planning & Budget:				
Coronavirus Relief Fund	21.019		-	78,412
Coronavirus State and Local Fiscal Recovery Funds	21.027	PA-0003742/PA-0004062	-	182,959
Total U. S. Department of Treasury			-	261,371
Department of Housing and Urban Development				
Passed through Georgia Department of Community Affairs - CDBG - Sewer Block Grant	14.228	16p-x-012-2-5842	-	298,510
Passed through Georgia Housing & Finance Authority- Home Investments partnership/CHIP	14.239	CHI19XCOCH	-	234,723
Total Department of Housing and Urban Development			-	533,233
Department of Transportation-FAA				
Passed through Georgia Department of Transportation:				
Airport Improvement	20.106	AP020-9041-28(023)	-	8,794
CARES Act Airport Assistance	20.106	AP020-9041-29(023)	-	30,000
Total Department of Transportation - FAA			-	38,794
Total Expenditures of Federal Awards			$ -	$ 1,609,821

See accompanying notes to schedule of expenditures of federal awards.

CITY OF COCHRAN, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Cochran, Georgia under programs of the federal government for the fiscal year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Cochran, Georgia, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Cochran, Georgia.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 - INDIRECT COST RATE

The City of Cochran, Georgia has elected not to use the 10% deminimis indirect cost rate allowed under the Uniform Guidance.

City of Cochran

P. O. Box 8
Cochran, GA 31014

(478) 934-6346 Fax (478) 934-3230

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL STATEMENT FINDINGS

2020-001 Segregation of Duties

Status: Unresolved. See current year finding 2021-001

2020-002 Grants Received

Status: Resolved.

COMPLIANCE FINDINGS

No matters were reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

112 W. Dykes Street
Cochran, GA 31014

City of Cochran

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CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL STATEMENT FINDINGS

2021-001 Segregation of Duties

Name of Contact Person: Richard Newbern, City Manager

Recommendation: The duties of initiation, authorization, recording, processing, and reconciliation of transactions and the custody of related assets should be segregated between employees.

Corrective Action: The City concurs with the finding. We realize that with a limited number of personnel that strict segregation of duties is not possible. To mitigate this, we will re-evaluate assigned duties of all personnel to implement segregation of duties and to implement compensating controls where possible.

Anticipated Completion Date: June 30, 2022.

2021-002 Budget – CHIP Grant Fund

Name of Contact Person: Richard Newbern, City Manager

Recommendation: Adopt a separate budget for each special revenue fund when the fund is created and annually thereafter.

Corrective Action: The City concurs with the finding. The City will adopt a budget for the CHIP Grant Fund for the year ending June 30, 2022, and annually thereafter.

Anticipated Completion Date: June 30, 2022.

112 W. Dykes Street
Cochran, GA 31014

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*

D. M. Vickers & Assoc., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

DON M. VICKERS, CPA (1931-1989)
LARRY E. GARRETT, CPA
DENNIS M. VICKERS, CPA
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Honorable Mayor and Members of City Council
City of Cochran, 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 Cochran, Georgia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Cochran, Georgia's basic financial statements and have issued our report thereon dated June 20, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Cochran, Georgia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Cochran, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Cochran, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Cochran, 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-002.

City of Cochran, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Cochran, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Cochran, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

H. M. Vickers & Associates, P.C.

June 22, 2022

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

D. M. Vickers & Assoc., P.C.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members of City Council
City of Cochran, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited the City of Cochran, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Cochran, Georgia's major federal programs for the year ended June 30, 2021. The City of Cochran, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Cochran, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Cochran, Georgia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Cochran, Georgia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Cochran, Georgia's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Cochran, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Cochran, Georgia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Cochran, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Cochran, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Cochran, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

L. M. Vickers & Associates, P.C.

June 22, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None Reported
Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Federal Programs:

CFDA Numbers	Name of Federal Program or Cluster
66.458	Clean Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

2021-001 Segregation of Duties

Condition: There is not appropriate segregation of duties between initiation, authorization, recording, processing, and reconciliation of transactions and other operational functions and the custody of related assets in the various funds possessed by the City.

Cause: The City of Cochran, Georgia does not have enough employees in the accounting department to achieve adequate segregation of duties.

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate assets without such actions being detected during the normal course of business.

Effect: Failure to properly segregate duties between initiation, authorization, recording, processing, and reconciliation of transactions and the custody of related assets can lead to misappropriation of assets that is not detected during the normal course of business.

Recommendation: The duties of initiation, authorization, recording, processing, and reconciliation of transactions and the custody of related assets should be segregated between employees.

View of Responsible Officials: The City concurs with the finding and will re-evaluate assigned duties of all personnel to implement segregation of duties.

2021-002 Budget - CHIP Grant Fund

Condition: The City did not adopt a separate budget for the CHIP Grant Fund as required for special revenue funds.

Cause: At the time the original budgets were adopted, City officials were unaware that the CHIP Grant Fund would be accounted for in a special revenue fund, which would require a separate budget.

Criteria: Georgia law requires local governments to adopt a balanced budget for each special revenue fund.

Effect: There is no legal budgetary control over expenditures in this fund.

Context: The City did not adopt a separate budget for the CHIP Grant Fund as required by Georgia law.

Recommendation: Adopt a separate budget for each special revenue fund when the fund is created and annually thereafter.

Views of Responsible Officials: The City concurs with the finding. The City officials have prepared and will adopt a budget for the CHIP Grant Fund for the year ending June 30, 2022.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.