CITY OF COCHRAN, GEORGIA
FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022
AND
INDEPENDENT AUDITOR'S REPORT

CITY OF COCHRAN, GEORGIA

CITY OF COCHRAN, GEORGIA
Financial Statements
For the Fiscal Year Ended June 30, 2022

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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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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, 2022, 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, 2022, 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, budgetary comparison schedules, and schedules of projects constructed with special sales tax proceeds 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, budgetary comparison schedules, and schedules of projects constructed with special sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2023, 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.

August 14, 2023

Basic Financial Statements

CITY OF COCHRAN, GEORGIA
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total	Component Unit Cochran Downtown Development Authority
ASSETS:				
Cash	$ 2,298,663	$ 3,711,988	$ 6,010,651	$ 16,318
Restricted investments, current	-	31,928	31,928	-
Receivables, net:				
Taxes	130,189	-	130,189	-
Fines and forfeitures	7,204	-	7,204	-
Customers	-	448,370	448,370	-
Intergovernmental	170,280	312,530	482,810	-
Others	29,854	-	29,854	-
Prepaid items	73,031	50,079	123,110	-
Inventory, at cost	1,672	6,617	8,289	-
Investment in joint venture	-	820,999	820,999	-
Net pension asset	306,616	49,496	356,112	-
Capital assets not being depreciated	1,042,676	4,908,201	5,950,877	-
Capital assets being depreciated, net	7,411,299	7,853,962	15,265,261	-
TOTAL ASSETS	11,471,484	18,194,170	29,665,654	16,318
DEFERRED OUTFLOWS OF RESOURCES-				
Pensions	260,042	41,505	301,547	-
LIABILITIES:				
Accounts payable	200,875	458,416	659,291	-
Deposits payable	-	63,350	63,350	-
Salaries and benefits payable	65,206	8,810	74,016	-
Accrued liabilities	2,664	-	2,664	-
Intergovernmental	21,200	-	21,200	-
Accrued interest	-	28,394	28,394	-
Lease liabilities-due within one year	7,006	-	7,006	-
Lease liabilities-due after one year	12,006	-	12,006	-
Compensated absences, payable within one year	72,262	24,517	96,779	-
Compensated absences, payable after one year	38,910	13,201	52,111	-
Capital leases and notes, payable within one year	43,905	224,175	268,080	-
Bonds payable due within one year-(payable from restricted assets)	-	115,000	115,000	-
Bonds and leases payable due after one year	-	3,160,000	3,160,000	-
Notes payable due after one year	27,557	4,432,223	4,459,780	-
TOTAL LIABILITIES	491,591	8,528,086	9,019,677	-
DEFERRED INFLOWS OF RESOURCES-				
Pensions	654,540	104,471	759,011	-
NET POSITION:				
Net investment in capital assets	$ 8,453,975	$ 4,830,765	$ 13,284,740	$ -
Restricted for capital projects	1,213,074	-	1,213,074	-
Restricted for transportation projects	58,971	-	58,971	-
Restricted for confiscated assets - police	12,892	-	12,892	-
Restricted for debt service	-	31,928	31,928	-
Restricted for military flags	48,348	-	48,348	-
Unrestricted	798,135	4,740,425	5,538,560	16,318
TOTAL NET POSITION	$ 10,585,395	$ 9,603,118	$ 20,188,513	$ 16,318

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, 2022

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	$ 854,395	$ 391,026	$ 1,743,127	$ -	$ 1,279,758	$ -	$ 1,279,758	$ -
Public safety	1,898,183	88,098	-	13,995	(1,796,090)	-	(1,796,090)	-
Public works	1,399,421	-	-	134,475	(1,264,946)	-	(1,264,946)	-
Airport	222,301	-	121,475	-	(100,826)	-	(100,826)	-
Community development	284,618	-	-	-	(284,618)	-	(284,618)	-
Interest on long-term debt	3,733	-	-	-	(3,733)	-	(3,733)	-
Total governmental activities	4,662,651	479,124	1,864,602	148,470	(2,170,455)	-	(2,170,455)	-
Business-type activities:								
Water and sewer	2,083,958	2,147,024	-	308,922	-	371,988	371,988	-
Natural gas	1,211,904	1,253,773	-	-	-	41,869	41,869	-
Solid waste	926,668	857,161	-	-	-	(69,507)	(69,507)	-
Total business-type activities	4,222,530	4,257,958	-	308,922	-	344,350	344,350	-
Total primary government	$ 8,885,181	$ 4,737,082	$ 1,864,602	$ 457,392	(2,170,455)	344,350	(1,826,105)	-
Component Unit-								
Cochran Downtown Development Authority	$ 53,495	$ -	$ 57,366	$ -	-	-	-	3,871
General revenues:								
Property taxes					952,788	-	952,788	-
General sales tax					1,205,516	-	1,205,516	-
Hotel/Motel tax					21,992	-	21,992	-
Other taxes					758,358	-	758,358	-
Interest earnings					1,756	16,530	18,286	-
Miscellaneous					13,633	-	13,633	-
Total general revenues					2,954,043	16,530	2,970,573	-
Changes in net position					783,588	360,880	1,144,468	3,871
Net position-beginning					9,801,807	9,242,238	19,044,045	12,447
Net position - ending					$ 10,585,395	$ 9,603,118	$ 20,188,513	$ 16,318

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

CITY OF COCHRAN, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	American Rescue Fund	Capital Projects-Special Sales Tax - 2013	Capital Projects-Special Sales Tax - 2018	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash	$ 200,458	$ 934,609	$ 46,645	$ 1,048,549	$ 68,402	$ 2,298,663
Receivables, net:						
Taxes	128,287	-	-	-	1,902	130,189
Fines and forfeitures	7,204	-	-	-	-	7,204
Intergovernmental	72,365	-	-	90,974	6,941	170,280
Others	29,854	-	-	-	-	29,854
Due from other funds	2,002	-	-	-	-	2,002
Prepaid items	73,031	-	-	-	-	73,031
Inventory	1,672	-	-	-	-	1,672
TOTAL ASSETS	$ 514,873	$ 934,609	$ 46,645	$ 1,139,523	$ 77,245	$ 2,712,895
LIABILITIES:						
Accounts payable	$ 146,583	$ -	$ -	$ 50,812	$ 3,480	$ 200,875
Salaries and benefits payable	65,206	-	-	-	-	65,206
Intergovernmental	21,200	-	-	-	-	21,200
Unearned revenue	-	934,509	-	-	-	934,509
Accrued liabilities	2,664	-	-	-	-	2,664
Due to other funds	-	100	-	-	1,902	2,002
TOTAL LIABILITIES	235,653	934,609	-	50,812	5,382	1,226,456
DEFEREED INFLOWS OF RESOURCES-						
Property taxes	78,451	-	-	-	-	78,451
TOTAL DEFERRED INFLOWS OF RESOURCES	78,451	-	-	-	-	78,451
FUND BALANCE:						
Nonspendable:						
Prepaid items	73,031	-	-	-	-	73,031
Inventory	1,672	-	-	-	-	1,672
Restricted:						
Capital projects	77,718	-	46,645	1,088,711	-	1,213,074
Transportation projects	-	-	-	-	58,971	58,971
Confiscated assets-police	-	-	-	-	12,892	12,892
Military flags	48,348	-	-	-		48,348
Community development	-	-	-	-		-
Unassigned -General Fund	-	-	-	-	-	-
TOTAL FUND BALANCE	200,769	-	46,645	1,088,711	71,863	1,407,988
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 514,873	$ 934,609	$ 46,645	$ 1,139,523	$ 77,245	$ 2,712,895

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, 2022

Differences in amounts reported for governmental activities in the statement of net position:	
Fund balances - total governmental funds	$ 1,407,988
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds	8,453,975
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds-	
Liability for compensated absences	(111,172)
Net pension asset	306,616
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	260,042
Deferred inflows	(654,540)
Lease liabilities	(19,012)
Long-term payables are not due and payable in the current period and, therefore, are not reported in the governmental funds	(71,462)
Unearned revenue	934,509
Some governmental revenues will not be collected for several months after the year end and, therefore, are deferred in the governmental funds	78,451
Net position of governmental activities	$ 10,585,395

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, 2022

	General Fund	American Rescue Fund	Capital Projects-Special Sales Tax - 2013	Capital Projects-Special Sales Tax - 2018	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes	$ 2,322,606	$ -	$ -	$ -	$ 100,977	$ 2,423,583
Licenses and permits	63,229	-	-	-	-	63,229
Intergovernmental	1,031,418	-	-	512,035	47,145	1,590,598
Charges for services	275,607	-	-	-	-	275,607
Fines and forfeitures	140,678	-	-	-	-	140,678
Miscellaneous	10,943	-	12	96	3,948	14,999
Total Revenues	3,844,481	-	12	512,131	152,070	4,508,694
EXPENDITURES:						
Current:						
General government	1,180,387	-	-	-	-	1,180,387
Public safety	1,625,242	-	-	-	29,295	1,654,537
Public works	872,286	-	-	-	74,046	946,332
Airport	166,395	-	-	-	-	166,395
Community development	48,168	-	101,983	-	99,093	249,244
Capital outlay	-	-	-	338,808	-	338,808
Debt service:						
Principal	46,631	-	-	-	-	46,631
Interest	3,733	-	-	-	-	3,733
Total Expenditures	3,942,842	-	101,983	338,808	202,434	4,586,067
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(98,361)	-	(101,971)	173,323	(50,364)	(77,373)
OTHER FINANCING SOURCES (USES):						
Transfers in	19,044	-	-	-	32,900	51,944
Transfers (out)	(32,900)	-	-	-	(19,044)	(51,944)
Leases	11,559	-	-	-	-	11,559
Issuance of debt	28,248	-	-	-	-	28,248
Total Other Financing Sources (Uses)	25,951	-	-	-	13,856	39,807
NET CHANGE IN FUND BALANCE	(72,410)	-	(101,971)	173,323	(36,508)	(37,566)
FUND BALANCE-BEGINNING	273,179	-	148,616	915,388	108,371	1,445,554
FUND BALANCE-ENDING	$ 200,769	$ -	$ 46,645	$ 1,088,711	$ 71,863	$ 1,407,988

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, 2022

Differences in amounts reported for governmental activities in the statement of activities		
Net change in fund balances - total governmental funds	$	(37,566)
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position		
Expenditures for capital assets		250,644
Expenditures for lease assets		11,559
Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities		(561,284)
Amortization of lease assets included in the governmental activities in the statement of activities		(5,861)
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		(28,248)
Issuance of lease liability		(11,559)
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		40,821
Repayment of lease liability		5,810
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		(111,172)
Liability balance at prior fiscal year end		111,883
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:		
Pension contributions made by City		117,887
Pension expense		63,129
Unearned revenue		934,509
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		78,451
Unavailable revenue balance at prior fiscal year end		(75,415)
Change in net position of governmental activities	$	783,588

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, 2022

	Water and Sewer	Natural Gas	Solid Waste	Total
ASSETS:				
Current Assets:				
Cash	$ 2,499,790	$ 874,817	$ 337,381	$ 3,711,988
Restricted investments	31,928	-	-	31,928
Receivables, net	318,763	56,006	73,601	448,370
Intergovernmental	312,530	-	-	312,530
Prepaid items	40,398	9,681	-	50,079
Inventory, at cost	6,617	-	-	6,617
Total Current Assets	3,210,026	940,504	410,982	4,561,512
Noncurrent Assets:				
Investment in joint venture	-	820,999	-	820,999
Net pension asset	49,496	-	-	49,496
Capital assets:				
Land	9,700	515	-	10,215
Construction in progress	4,897,986	-	-	4,897,986
Buildings, net	8,258	-	-	8,258
Machinery and equipment, net	335,079	-	-	335,079
Water and sewer system, net	7,298,800	-	-	7,298,800
Gas system, net	-	129,339	-	129,339
Transmission line, net	-	82,486	-	82,486
Total Noncurrent Assets	12,599,319	1,033,339	-	13,632,658
TOTAL ASSETS	15,809,345	1,973,843	410,982	18,194,170
DEFERRED OUTFLOWS OF RESOURCES-				
Pensions	41,505	-	-	41,505
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	15,850,850	1,973,843	410,982	18,235,675

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, 2022

	Water and Sewer	Natural Gas	Solid Waste	Total
LIABILITIES:				
Current Liabilities:				
Accounts payable	334,323	53,827	70,266	458,416
Deposits payable	46,124	17,226	-	63,350
Salaries and benefits payable	8,810	-	-	8,810
Accrued interest	28,394	-	-	28,394
Compensated absences	24,517	-	-	24,517
Total	442,168	71,053	70,266	583,487
Current Liabilities (payable from restricted assets):				
Revenue bonds payable	115,000	-	-	115,000
Notes payable	224,175	-	-	224,175
Total Current Liabilities (payable from restricted assets)	339,175	-	-	339,175
Total Current Liabilities	781,343	71,053	70,266	922,662
Noncurrent Liabilities:				
Revenue bonds payable	3,160,000	-	-	3,160,000
Notes payable	4,432,223	-	-	4,432,223
Compensated absences	13,201	-	-	13,201
Total Noncurrent Liabilities	7,605,424	-	-	7,605,424
TOTAL LIABILITIES	8,386,767	71,053	70,266	8,528,086
DEFERRED INFLOWS OF RESOURCES-				
Pensions	104,471	-	-	104,471
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	8,491,238	71,053	70,266	8,632,557
NET POSITION:				
Net investment in capital assets	4,618,425	212,340	-	4,830,765
Restricted for debt service	31,928	-	-	31,928
Unrestricted	2,709,259	1,690,450	340,716	4,740,425
TOTAL NET POSITION	$ 7,359,612	$ 1,902,790	$ 340,716	$ 9,603,118

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, 2022

	Water and Sewer	Natural Gas	Solid Waste	Total
OPERATING REVENUES:				
Water and Sewer charges pledged as security for revenue bonds	$ 1,931,151	$ -	$ -	$ 1,931,151
Charges for services	-	1,241,653	857,161	2,098,814
Total Operating Revenues	1,931,151	1,241,653	857,161	4,029,965
OPERATING EXPENSES:				
Salaries and benefits	324,750	-	-	324,750
Administrative overhead	452,900	169,550	119,200	741,650
Services and fees	238,787	944,771	805,809	1,989,367
Pipeline replacements	-	58,897	-	58,897
Supplies	67,710	-	199	67,909
Repairs and maintenance	75,357	4,719	1,460	81,536
Utilities	208,954	9,763	-	218,717
Insurance premiums	28,490	14,407	-	42,897
Depreciation	427,387	9,797	-	437,184
Miscellaneous	1,514	-	-	1,514
Total Operating Expenses	1,825,849	1,211,904	926,668	3,964,421
OPERATING INCOME	105,302	29,749	(69,507)	65,544
NON-OPERATING REVENUES (EXPENSES):				
Interest income	15,025	753	752	16,530
Income (loss) from joint venture	-	12,120	-	12,120
Intergovernmental	215,873	-	-	215,873
Bond issue cost	(138,392)	-	-	(138,392)
Interest expense	(119,717)	-	-	(119,717)
Total Non-Operating Revenues (Expenses)	(27,211)	12,873	752	(13,586)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	78,091	42,622	(68,755)	51,958
Capital contributed	308,922	-	-	308,922
CHANGES IN NET POSITION	387,013	42,622	(68,755)	360,880
NET POSITION- BEGINNING	6,972,599	1,860,168	409,471	9,242,238
NET POSITION- ENDING	$ 7,359,612	$ 1,902,790	$ 340,716	$ 9,603,118

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, 2022

	Water and Sewer	Natural Gas	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	$ 2,170,300	$ 1,402,447	$ 861,045	$ 4,433,792
Cash paid to suppliers	(1,212,104)	(1,385,661)	(918,205)	(3,515,970)
Cash paid to employees	(412,873)	-	-	(412,873)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	545,323	16,786	(57,160)	504,949
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES-				
Transfers from other funds	-	-	-	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(795,147)	-	-	(795,147)
Capital grants and contributions	308,922	-	-	308,922
Proceeds from issuance of notes payable	332,897	-	-	332,897
Proceeds from issuance of bonds payable	3,395,000	-	-	3,395,000
Principal payments on bonds and notes	(3,536,889)	-	-	(3,536,889)
Interest paid on bonds and notes	(119,892)	-	-	(119,892)
NET CASH (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(415,109)	-	-	(415,109)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earned	15,025	753	752	16,530
Decrease (increase) in restricted assets	9,707	-	-	9,707
NET CASH PROVIDED BY INVESTING ACTIVITIES	24,732	753	752	26,237
NET INCREASE (DECREASE) IN CASH	154,946	17,539	(56,408)	116,077
CASH, BEGINNING	2,344,844	857,278	393,789	3,595,911
CASH, ENDING	$ 2,499,790	$ 874,817	$ 337,381	$ 3,711,988
CASH ENDING - UNRESTRICTED	$ 2,499,790	$ 874,817	$ 337,381	$ 3,711,988

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, 2022

	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)	$ 105,302	$ 29,749	$ (69,507)	$ 65,544
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	427,387	9,797	-	437,184
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(13,735)	125,354	3,885	115,504
Prepaid items	(27,717)	(4,879)	-	(32,596)
Inventory, at cost	(1,319)	-	-	(1,319)
Net pension asset	(49,496)	-	-	(49,496)
Deferred outflows of resources - pensions	3,806	-	-	3,806
Increase (decrease) in:				
Accounts payable	82,089	(143,235)	8,462	(52,684)
Deposits payable	(119)	-	-	(119)
Salaries and benefits payable	(2,228)	-	-	(2,228)
Deferred inflows of resources - pensions	64,801	-	-	64,801
Compensated absences	3,959	-	-	3,959
Net pension liability	(47,407)	-	-	(47,407)
Total adjustments	440,021	(12,963)	12,347	439,405
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 545,323	$ 16,786	$ (57,160)	$ 504,949
NON-CASH TRANSACTIONS AFFECTING FINANCIAL POSITION-				
Net income (loss) from joint venture	$ -	$ 12,120	$ -	$ 12,120
NET EFFECT-NON-CASH TRANSACTIONS	$ -	$ 12,120	$ -	$ 12,120

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

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 American Rescue Special Revenue Fund is used to account for grant funds awarded to the City as part of the State and Local Fiscal Recovery Fund under the American Rescue Plan Act (ARPA) passed by the federal government on March 11, 2021.

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, 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. 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, 2022:

	General Fund	American Rescue Plan	Capital Projects Special Sales Tax - 2013	Capital Projects Special Sales Tax - 2018	Other Governmental Funds	Total
Fund Balances:						
Nonspendable						
Prepaids	$ 73,031	$ -	$ -	$ -	$ -	$ 73,031
Inventory	1,672	-	-	-	-	1,672
Restricted for:						
Capital projects	77,718	-	46,645	1,088,711	-	1,213,074
Transportation projects	-	-	-	-	58,971	58,971
Confiscated assets-police	-	-	-	-	12,892	12,892
Military flags	48,348	-	-	-	-	48,348
Community Development		-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	$ 200,769	$ -	$ 46,645	$ 1,088,711	$ 71,863	$ 1,407,988

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, 2022, the City did not have any such agreements, either entered into by the City or by other governments.

U. Adoption of GASB Statement

During the current fiscal year, the City adopted *GASB Statement 87, Leases* (GASB 87). GASB 87 required the City to recognize a lease liability and an intangible right-to-use asset for leases that were previously classified as operating leases. GASB 87 is based on the foundational principle that a lease is the financing of the right to use an underlying asset. There were no restatements to net position at July 1, 2021 as a result of the adoption of GASB 87; however, restatements were made to schedules of lease assets and lease liabilities at July 1, 2021 as noted in Notes 5 and 8.

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 $6,053,968 and the carrying amount for these deposits was $6,041,959. As of June 30, 2022, 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	$ 6,010,031
Restricted Investments, Current	31,928
Carrying Amount	6,041,959
Cash on hand	620
Totals	$ 6,042,579

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, 2022, 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, 2022, were assessed at the net rate of 10.383 mills on the dollar on a total assessed valuation of $85,616,674.

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	Capital Projects SPLOST 2013	Capital Projects SPLOST 2018	Nonmajor Governmental Funds	Total Governmental Funds
Taxes	$ 425,826	$ -	$ -	$ 1,902	$ 427,728
Less allowance for uncollectibles	(297,539)	-	-	-	(297,539)
Net taxes	$ 128,287	$ -	$ -	$ 1,902	$ 130,189
Fines	$ 208,910	$ -	$ -	$ -	$ 208,910
Less allowance for uncollectibles	(201,706)	-	-	-	(201,706)
Net fines	$ 7,204	$ -	$ -	$ -	$ 7,204
Intergovernmental	$ 72,365	$ -	$ 90,974	$ 6,941	$ 170,280
Less allowance for uncollectibles	-	-	-	-	-
Net intergovernmental	$ 72,365	$ -	$ 90,974	$ 6,941	$ 170,280
Others	$ 106,166	$ -	$ -	$ -	$ 106,166
Less allowance for uncollectibles	(76,312)	-	-	-	(76,312)
Net others	$ 29,854	$ -	$ -	$ -	$ 29,854

Proprietary Funds	Water and Sewer Fund	Natural Gas Fund	Solid Waste Fund	Total Proprietary Funds
Customer receivables	$ 835,514	$ 298,699	$ 334,144	$ 1,468,357
Less allowance for uncollectibles	(530,209)	(242,693)	(260,543)	(1,033,445)
Net customer receivables	305,305	56,006	73,601	434,912
Interest receivable	13,458	-	-	13,458
Net receivables	$ 318,763	$ 56,006	$ 73,601	$ 448,370
Intergovernmental	$ 312,530	$ -	$ -	$ 312,530
Less allowance for uncollectibles	-	-	-	-
Net intergovernmental	$ 312,530	$ -	$ -	$ 312,530

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, is as follows:

Governmental activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Capital assets, not being depreciated-					
Land	$ 900,274	$ -	$ -	$ -	$ 900,274
Construction in progress	-	142,402	-	-	142,402
Total capital assets, not being depreciated	900,274	142,402	-	-	1,042,676
Capital assets, being depreciated:					
Infrastructure	6,866,099	-	-	-	6,866,099
Buildings and improvements	2,325,565	-	-	-	2,325,565
Improvements other than buildings	622,327	-	-	-	622,327
Machinery and equipment	3,787,918	108,242	-	-	3,896,160
Total capital assets, being depreciated	13,601,909	108,242	-	-	13,710,151
Less accumulated depreciation for:					
Infrastructure	1,802,393	179,752	-	-	1,982,145
Buildings and improvements	935,140	56,031	-	-	991,171
Improvements other than buildings	161,805	27,725	-	-	189,530
Machinery and equipment	2,857,695	297,272	-	-	3,154,967
Total accumulated depreciation	5,757,033	560,780	-	-	6,317,813
Governmental activities capital assets, net of accumulated depreciation:					
Capital assets, not being depreciated:					
Land	900,274	-	-	-	900,274
Construction in progress	-	142,402	-	-	142,402
Total capital assets, not being depreciated	900,274	142,402	-	-	1,042,676
Capital assets being depreciated, net of accumulated depreciation:					
Infrastructure	5,063,706	(179,752)	-	-	4,883,954
Buildings and improvements	1,390,425	(56,031)	-	-	1,334,394
Improvements other than buildings	460,522	(27,725)	-	-	432,797
Machinery and equipment	930,223	(189,030)	-	-	741,193
Total capital assets being depreciated, net of accumulated depreciation	7,844,876	(452,538)	-	-	7,392,338
Total governmental activities capital assets, net of accumulated depreciation	8,745,150	(310,136)	-	-	8,435,014
Lease assets being amortized-					
Machinery and equipment	13,263	11,559	-	-	24,822
Total lease assets, being amortized	13,263	11,559	-	-	24,822
Less accumulated amortization for-					
Machinery and equipment	-	5,861	-	-	5,861
Total accumulated amortization	-	5,861	-	-	5,861
Total lease assets, net of accumulated amortization	$ 13,263	$ 5,698	$ -	$ -	18,961
Net investment in capital assets					$ 8,453,975

Description	Balance Beginning	Additions	Transfers/ Retirements	Balance Ending
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 10,215	$ -	$ -	$ 10,215
Construction in progress	4,277,814	620,172	-	4,897,986
Total capital assets, not being depreciated	4,288,029	620,172	-	4,908,201
Capital assets, being depreciated:				
Buildings and improvements	35,512	-	-	35,512
Machinery and equipment	1,039,231	174,975		1,214,206
Water and sewerage system	13,798,971			13,798,971
Gas system	633,827	-	-	633,827
Transmission line	667,584	-	-	667,584
Total capital assets, being depreciated	16,175,125	174,975	-	16,350,100
Less accumulated depreciation for:				
Buildings and improvements	26,626	628	-	27,254
Machinery and equipment	795,971	83,156	-	879,127
Water and sewerage system	6,156,568	343,603	-	6,500,171
Gas system	498,254	6,234	-	504,488
Transmission line	581,535	3,563	-	585,098
Total accumulated depreciation	8,058,954	437,184	-	8,496,138
Business-type activities capital assets, net of accumulated depreciation:				
Capital assets not being depreciated:				
Land	10,215	-	-	10,215
Construction in progress	4,277,814	620,172	-	4,897,986
Total capital assets, not being depreciated	4,288,029	620,172	-	4,908,201
Capital assets being depreciated, net of accumulated depreciation:				
Buildings and improvements	8,886	(628)	-	8,258
Machinery and equipment	243,260	91,819	-	335,079
Water and sewerage system	7,642,403	(343,603)	-	7,298,800
Gas system	135,573	(6,234)	-	129,339
Transmission line	86,049	(3,563)	-	82,486
Total capital assets being depreciated, net of accumulated depreciation	8,116,171	(262,209)	-	7,853,962
Total business-type activities capital assets, net of accumulated depreciation	12,404,200	$ 357,963	$ -	12,762,163
Less: related long term debt outstanding				(7,931,398)
Net investment in capital assets				$4,830,765

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

Governmental activities:	
General government	$ 47,686
Public safety	194,115
Public works	120,671
Airport	198,308
Total depreciation expense-governmental activities	$ 560,780
Business-type activities	
Water and sewer system	$ 427,387
Gas system	9,797
Solid waste system	-
Total depreciation expense- business-type activities	$ 437,184

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, 2021 and 2020, are reported in the Natural Gas Enterprise Fund as of and for the years ended June 30, 2022 and 2021.

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, 2021 and 2020 are as follows:

	2021	2020
Retained earnings, beginning	$ 808,879	$ 835,745
Net income (loss) for the year	12,120	(26,866)
Retained earnings, ending	$ 820,999	$ 808,879

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, 2022 and 2021, are as follows:

	2022	2021
Investment in joint venture	$ 820,999	$ 808,879
Net income (loss) from joint venture	$ 12,120	$ (26,866)

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

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, 2022. 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	$ 21,992
Total Hotel/Motel tax receipts	$ 21,992
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:

No individual fund/department had expenditures in excess of appropriations in 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, 2022:

	Restated Balance Beginning	Increases	Decreases	Balance Ending	Amounts Due Within One Year	Long-term Portion
Governmental Activities:						
Compensated absences	$ 111,883	$ -	$ 711	111,172	$ 72,262	$ 38,910
Lease liabilities	13,262	11,559	5,809	19,012	7,006	12,006
Capital leases	87,676	28,248	44,462	71,462	43,905	27,557
Net pension liability	300,514	-	300,514	-	-	-
Total Governmental Activities	$ 513,335	$ 39,807	$ 351,496	$ 201,646	$ 123,173	$ 78,473

The City implemented GASB 87, *Leases*, during the current fiscal year. The beginning balances above have been restated as a result of this standard.

	Balance Beginning	Increases	Decreases	Balance Ending	Amounts Due Within One Year	Long-Term Portion
Business-Type Activities:						
Compensated Absences	$ 33,759	$ 3,959	$ -	$ 37,718	$ 24,517	$ 13,201
Revenue Bonds Payable-Series 2014	3,295,000	-	3,295,000	-	-	-
Less: discount	(22,160)	-	(22,160)	-	-	-
Revenue Bonds Payable-Series 2021	-	3,395,000	120,000	3,275,000	115,000	3,160,000
Total Revenue Bonds	3,272,840	3,395,000	3,392,840	3,275,000	115,000	3,160,000
Notes Payable	4,445,390	332,897	121,889	4,656,398	224,175	4,432,223
Net Pension Liability	47,407	-	47,407	-	-	-
Total Business-Type Activities	$ 7,799,396	$ 3,731,856	$ 3,562,136	$ 7,969,116	$ 363,692	$7,605,424

Details of capital leases and notes payable are as follows:

	Balance Beginning	Additions	Retirements	Balance Ending
Governmental Activities:				
Capital Leases:				
3.12% Capital lease payable, with quarterly payments of $1,885, including interest, original principal of $28,248, made on July 27, 2021, incurred to purchase Chevrolet Impala for general government	$ -	$ 28,248	$ 5,033	$ 23,215
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	43,535	-	21,168	22,367
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	14,442	-	6,235	8,207
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	26,058	-	8,385	17,673
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	3,641	-	3,641	-
Total Capital Leases Payable-Governmental Activities	$ 87,676	$ 28,248	$ 44,462	$ 71,462

Lease liabilities:

The City has entered into agreements with multiple third parties to lease three copiers and one postage machine. The leases terminate on various dates through January 31, 2027. The leases did not contain a specified interest rate, therefore the City calculated imputed discount rates for the leases ranging from .326% to 1.566%. Monthly payments range from $90 to $249 over the terms of the individual leases. The outstanding balance of the City's lease liabilities for governmental activities at June 30, 2022 was $19,012. The City's total debt service requirements for lease liabilities to maturity are as follows:

	Principal	Interest	Total
Year ending June 30:			
2023	$ 7,006	$ 175	$ 7,181
2024	5,920	123	6,043
2025	2,327	79	2,406
2026	2,363	42	2,405
2027	1,396	7	1,403
	$ 19,012	$ 426	$ 19,438

	Balance Beginning	Additions	Retirements	Balance Ending
Business-Type Activities:				
Revenue Bonds Payable:				
Series 2014-				
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	$ 3,272,840	$ -	$ 3,272,840	$ -
Series 2021-				
3.00% reducing to 2.00% by 2029 Revenue bond payable, and graduating to 2.125% by 2037 and increasing to 2.375% in 2041 (Series 2021), with payments due semi-annually in increasing amounts beginning April 1, 2022, original principal amount of $3,395,000 made on November 22, 2021, with final payment due on April 1, 2044, incurred to refinance Series 2014 revenue bonds	-	3,395,000	120,000	3,275,000
Total Revenue Bonds Payable-Business-Type Activities	$ 3,272,840	$ 3,395,000	$ 3,392,840	$ 3,275,000

	Balance Beginning	Additions	Retirements	Balance Ending
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	$ 1,090,200	$ -	$ 59,621	$ 1,030,579
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	1,811,831	107,716	20,463	1,899,084
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	1,543,359	225,181	41,805	1,726,735
Total Notes Payable-Business-Type Activities	$ 4,445,390	$ 332,897	$ 121,889	$ 4,656,398

The total assets recorded in the governmental activities statement of net position under capital leases outstanding at June 30, 2022, is $192,171 with accumulated amortization of $121,300. Accumulated amortization on assets recorded under capital leases is included in accumulated depreciation. This year, $42,682 was included in depreciation expense.

The combined aggregate amounts 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
2023	$ -	$ -	$ -	$ 43,905	$ 2,012	$ 45,917	$ 43,905	$ 2,012	$ 45,917
2024	-	-	-	18,350	641	18,991	18,350	641	18,991
2025	-	-	-	7,337	202	7,539	7,337	202	7,539
2026	-	-	-	1,870	15	1,885	1,870	15	1,885
Totals	$ -	$ -	$ -	$ 71,462	$ 2,870	$ 74,332	$ 71,462	$ 2,870	$ 74,332

	Business-Type Activities								
Year ending	Revenue Bonds			Notes Payable			Totals		
June 30	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	$ 115,000	$ 76,363	$ 191,363	$ 224,175	$ 50,626	$ 274,801	$ 339,175	$ 126,989	$ 466,164
2024	120,000	72,913	192,913	225,237	49,564	274,801	345,237	122,477	467,714
2025	120,000	69,313	189,313	227,808	46,992	274,800	347,808	116,305	464,113
2026	125,000	65,713	190,713	230,410	44,391	274,801	355,410	110,104	465,514
2027	125,000	61,963	186,963	490,686	66,390	557,076	615,686	128,353	744,039
2028-2032	690,000	258,963	948,963	1,219,375	154,628	1,374,003	1,909,375	413,591	2,322,966
2033-2037	765,000	185,562	950,562	1,063,565	86,970	1,150,535	1,828,565	272,532	2,101,097
2038-2042	850,000	102,592	952,592	975,142	28,997	1,004,139	1,825,142	131,589	1,956,731
2043-2044	365,000	13,062	378,062	-	-	-	365,000	13,062	378,062
Totals	$ 3,275,000	$ 906,444	$ 4,181,444	$ 4,656,398	$ 528,558	$ 5,184,956	$ 7,931,398	$ 1,435,002	$ 9,366,400

Total interest paid on long-term debt was $131,506 during the year ended June 30, 2022.

Governmental Activities			Business Type Activities		
Total Interest	Less Direct Interest	Net Interest	Total Interest	Less Capitalized Interest	Net Interest
$ 3,616	$ -	$ 3,616	$ 127,890	$ 8,173	$ 119,717

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 three GEFA notes payable, with a total outstanding principal balance of $4,656,398 as of June 30, 2022.

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, 2022.

11. INTERFUND BALANCES AND TRANSFERS

Interfund balances and transfers as of and for the year ended June 30, 2022, 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, 2022.

Interfund balances of amounts due to/from other funds and transfers by fund as of and for the year ended June 30, 2022, are as follows:

	Due To-	
Due From-	General Fund	Totals
Hotel/Motel Tax	$ 1,902	$ 1,902
American Rescue Fund	100	100
Totals	$ 2,002	$ 2,002

	Transfers Out			
Transfers In:	Chip Grant	Capital Projects -CDBG	General Fund	Totals
General Fund	$ 19,000	$ 44	$ -	$ 19,044
CHIP Grant Fund	-	-	32,900	32,900
Totals	$ 19,000	$ 44	$ 32,900	$ 51,944

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 $161,314.

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	34
Vested terminated employees	27
Active employees	40
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 $136,703 for the year ended June 30, 2022.

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, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

Actuarial assumptions - The total pension liability in the January 1, 2022 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 retirees and beneficiaries. 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 for active participants, terminated vested participants, and deferred beneficiaries were based on Sex-Distinct Pri-2012 Head-Count Weighted Employee Mortality Table. 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, 2022 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%	6.55%
International equity	20%	7.30%
Global fixed income	5%	0.50%
Domestic fixed income	20%	0.40%
Real estate	10%	3.65%
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, 2022, 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	$ 4,746,791	$ 4,398,870	$ 347,921
Changes for the year:			
Service cost	68,572	-	68,572
Interest	345,754	-	345,754
Differences between expected and acutal experie	61,007	-	61,007
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Other	-	-	-
Contributions-employer	-	134,985	(134,985)
Contributions-employee	-	-	-
Net investment income	-	1,059,353	(1,059,353)
Benefit payments, including refunds	(254,339)	(254,339)	-
Administrative expense	-	(14,972)	14,972
Net changes	220,994	925,027	(704,033)
Balance, end of year	$ 4,967,785	$ 5,323,897	$ (356,112)

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	$230,104	$ (356,112)	$ (848,752)

Changes of assumptions:

There were no changes in assumptions in the last two fiscal years.

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, 2021, 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	$ 68,572
Interest on TPL	345,754
Employee contributions	-
Administrative expense	14,972
Expected return on assets	(319,463)
Expensed portion of current year period differences between expected and actual experience in TPL	15,251
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	(147,978)
Current year recognition of deferred inflows and outflows established in prior years	(11,396)
Total expense	$ (34,288)

For the year ended June 30, 2022, the City recognized pension expense of $ (34,288). As of June 30, 2022, 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	$ 64,372	$ (55,463)
Contributions made subsequent to measurement date	136,703	-
Changes of assumptions	100,472	-
Net difference between projected and actual earnings on pension plan investments	-	(703,548)
Total	$ 301,547	$ (759,011)

City contributions subsequent to the measurement date 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, 2023. 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
2023	$ 235,941	$ (353,565)
2024	187,038	(298,192)
2025	72,039	(289,450)
2026	-	(147,978)
Total projected recognition of Deferred Outflows/Inflows	$ 495,018	$ (1,089,185)

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	$ 55,512	$ 8,860	$ 8,860	$ -	$ -
City contributions subsequent to measurement date	117,887	18,816	18,816	-	-
Changes of assumptions	86,643	13,829	13,829	-	-
Total deferred outflows	$ 260,042	$ 41,505	$ 41,505	$ -	$ -
Deferred Inflows-					
Pensions:					
Differences between expected and actual experience	$ (47,829)	(7,634)	$ (7,634)	$ -	$ -
Changes of assumptions	-	-	-	-	-
Net Difference between projected and actual earnings on investments	(606,711)	(96,837)	(96,837)	-	-
Total deferred inflows	$ (654,540)	$ (104,471)	$ (104,471)	$ -	$ -

17. EVALUATION OF SUBSEQUENT EVENTS

The City has evaluated subsequent events through August 14, 2023, the date which the financial statements were available to be issued.

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	$ 1,213,074	$ -	$ 1,213,074
Transportation projects	58,971	-	58,971
Confiscated assets-police	12,892	-	12,892
Debt service	-	31,928	31,928
Military flags	48,348	-	48,348
Balance, end of year	$ 1,333,285	$ 31,928	$ 1,365,213

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, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES:				
Taxes	$ 2,358,500	$ 2,418,500	$ 2,322,606	$ (95,894)
Licenses and permits	65,470	64,000	63,229	(771)
Intergovernmental	966,700	1,032,000	1,031,418	(582)
Charges for services	292,900	280,000	275,607	(4,393)
Fines and forfeitures	185,000	141,000	140,678	(322)
Miscellaneous	10,300	11,000	10,943	(57)
Total Revenues	3,878,870	3,946,500	3,844,481	(102,019)
EXPENDITURES:				
Current:				
General government	1,084,770	1,181,000	1,180,387	613
Public safety	1,862,390	1,626,000	1,625,242	758
Public works	785,300	873,000	872,286	714
Airport	33,500	167,000	166,395	605
Community development	181,350	48,500	48,168	332
Debt service:				
Principal	61,400	47,000	46,631	369
Interest	5,160	4,000	3,733	267
Total Expenditures	4,013,870	3,946,500	3,942,842	3,658
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(135,000)	-	(98,361)	(98,361)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	32,900	19,044	(13,856)
Transfers (out)	-	(32,900)	(32,900)	-
Leases	-	-	11,559	11,559
Issuance of debt	-	-	28,248	28,248
Sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	25,951	25,951
NET CHANGE IN FUND BALANCE	(135,000)	-	(72,410)	(72,410)
FUND BALANCE-BEGINNING	273,179	273,179	273,179	-
FUND BALANCE-ENDING	$ 138,179	$ 273,179	$ 200,769	$ (72,410)

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

CITY OF COCHRAN, GEORGIA
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (GAAP Basis) and Actual – American Rescue Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES :				
Intergovernmental	$940,000	$940,000	$ -	$(940,000)
Miscellaneous	2,500	2,500	-	(2,500)
Total Revenues	942,500	942,500	-	(942,500)
EXPENDITURES -				
Current -				
Community development	942,500	942,500	-	942,500
Total Expenditures	942,500	942,500	-	942,500
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	$ -	$ -	$ -	$ -

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, 2022

	Fiscal Year End June 30						
	2022	2021	2020	2019	2018	2017	2016
Actuarially determined, contribution	$ 136,703	$ 135,514	$ 132,209	$ 155,216	$ 123,276	$ 110,784	$ 136,669
Contributions in relation to the actuarially determined contribution	136,703	133,861	132,209	155,216	123,276	110,784	136,669
Contribution deficiency (excess)	$ -	$ 1,653	$ -	$ -	$ -	$ -	$ -
City's covered employee payroll	$ 1,549,945	$ 1,672,957	$ 1,628,438	$ 1,803,294	$ 1,850,173	$ 1,599,499	$ 1,486,855
Contributions as a percentage percentage of covered employee payroll	8.82%	8.00%	8.12%	8.61%	6.66%	6.93%	9.19%

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, 2022

	Fiscal Year Ended June 30						
	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability							
Service cost	$ 68,572	$ 33,022	$ 78,987	$ 80,994	$ 71,745	$ 71,193	$ 88,539
Interest	345,754	169,687	318,045	324,443	297,486	291,591	284,759
Differences between expected and actual experience	61,007	37,233	(69,937)	(233,891)	209,328	(36,184)	(32,077)
Changes in assumptions	-	-	-	-	81,466	-	-
Changes in benefit terms	-	-	-	-	-	-	-
Other	-	-	267,924	-	-	-	-
Benefit payments, including refunds of employee contributions	(254,339)	(123,606)	(252,361)	(257,325)	(249,967)	(251,103)	(255,015)
Net change in total pension liability	220,994	116,336	342,658	(85,779)	410,058	75,497	86,206
Total pension liability-beginning	4,746,791	4,630,455	4,287,797	4,373,576	3,963,518	3,888,021	3,801,815
Total pension liability-ending	$ 4,967,785	$ 4,746,791	$ 4,630,455	$ 4,287,797	$ 4,373,576	$ 3,963,518	$ 3,888,021
Plan Fiduciary Net Position							
Contributions-employer	$ 134,985	$ 66,104	$ 149,464	$ 121,892	$ 120,153	$ 133,321	$ 155,051
Contributions-employee	-	-	-	-	-	-	-
Net investment income	1,059,353	839,781	(271,338)	141,848	455,860	422,124	10,212
Benefit payments, including refunds of employee contributions	(254,339)	(123,606)	(252,361)	(257,325)	(249,967)	(251,103)	(255,015)
Administrative expense	(14,972)	(6,518)	(15,771)	(14,748)	(14,445)	(14,786)	(10,307)
Other	-	-	-	-	-	-	-
Net change in fiduciary net position	925,027	775,761	(390,006)	(8,333)	311,601	289,556	(100,059)
Plan fiduciary net position-beginning	4,398,870	3,623,109	4,013,115	4,021,448	3,709,847	3,420,291	3,520,350
Plan fiduciary net position-ending	$ 5,323,897	$ 4,398,870	$ 3,623,109	$ 4,013,115	$ 4,021,448	$ 3,709,847	$ 3,420,291
Net Pension Liability							
Net pension liability-(asset) ending	$ (356,112)	$ 347,921	$ 1,007,346	$ 274,682	$ 352,128	$ 253,671	$ 467,730
Plan's fiduciary net position as a percentage of the total pension liability	107.17%	92.67%	78.25%	93.59%	91.95%	93.60%	87.97%
Covered-employee payroll	1,549,945	1,672,957	1,628,438	1,803,294	1,850,173	1,599,499	1,486,855
Net pension liability as a percentage of covered employee payroll	-22.98%	20.80%	61.86%	15.23%	19.03%	15.86%	31.46%

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

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. 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

No individual funds/departments had expenditures in excess of appropriations in 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, 2022, 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, 2022

	Capital Projects-CDBG 2016	Special Revenue-Confiscated Assets	Special Revenue-Hotel/ Motel Tax	Special Revenue-TIA Sales Tax	Special Revenue-CHIP Grant	Total Nonmajor Governmental Funds
ASSETS:						
Cash	$ -	$ 15,772	$ -	$ 52,630	$ -	$ 68,402
Receivables, net:						
Taxes	-	-	1,902	-	-	1,902
Intergovernmental	-	-	-	6,941	-	6,941
TOTAL ASSETS	$ -	$ 15,772	$ 1,902	$ 59,571	$ -	$ 77,245
LIABILITIES:						
Accounts payable	$ -	$ 2,880	$ -	$ 600	$ -	$ 3,480
Due to other funds	-	-	1,902	-	-	1,902
Total Liabilities	-	2,880	1,902	600	-	5,382
FUND BALANCE:						
Restricted:						
Capital projects	-	-	-	-	-	-
Transportation projects	-	-	-	58,971	-	58,971
Confiscated assets-police	-	12,892	-	-	-	12,892
Total Fund Balance (Deficit)	-	12,892	-	58,971	-	71,863
TOTAL LIABILITIES AND FUND BALANCE	$ -	$ 15,772	$ 1,902	$ 59,571	$ -	$ 77,245

CITY OF COCHRAN, GEORGIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022

	Capital Projects-CDBG 2016	Special Revenue-Confiscated Assets	Special Revenue-Hotel/ Motel Tax	Special Revenue-TIA Sales Tax	Special Revenue-CHIP Grant	Total Nonmajor Governmental Funds
REVENUES:						
Taxes	$ -	$ -	$ 21,992	$ 78,985	$ -	$ 100,977
Intergovernmental	-	-	-	-	47,145	47,145
Miscellaneous	-	3,900	-	48	-	3,948
Total Revenues	-	3,900	21,992	79,033	47,145	152,070
EXPENDITURES:						
Current:						
Public safety	-	29,295	-	-	-	29,295
Public works	-	-	-	74,046	-	74,046
Community development	56	-	21,992	-	77,045	99,093
Total Expenditures	56	29,295	21,992	74,046	77,045	202,434
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(56)	(25,395)	-	4,987	(29,900)	(50,364)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	32,900	32,900
Transfers (out)	(44)	-	-	-	(19,000)	(19,044)
Total Other Financing Sources (Uses)	(44)	-	-	-	13,900	13,856
NET CHANGES IN FUND BALANCE	(100)	(25,395)	-	4,987	(16,000)	(36,508)
FUND BALANCE, BEGINNING	100	38,287	-	53,984	16,000	108,371
FUND BALANCE, ENDING	$ -	$ 12,892	$ -	$ 58,971	$ -	$ 71,863

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, 2022

	Final Budget	Actual	Variance With Final Budget
REVENUES -			
Miscellaneous	$ 30,000	$ 3,900	$ (26,100)
Total Revenues	30,000	3,900	(26,100)
EXPENDITURES -			
Current -			
Public safety	30,000	29,295	705
Total Expenditures	30,000	29,295	705
EXCESS OF REVENUES OVER EXPENDITURES	-	(25,395)	(25,395)
NET CHANGE IN FUND BALANCE	-	(25,395)	(25,395)
FUND BALANCE-BEGINNING	38,287	38,287	-
FUND BALANCE-ENDING	$ 38,287	$ 12,892	$ (25,395)

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 Fund
For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance With Final Budget
REVENUES -			
Taxes	$ 24,000	$ 21,992	$ (2,008)
Total Revenues	24,000	21,992	(2,008)
EXPENDITURES -			
Current -			
Community development	24,000	21,992	2,008
Total Expenditures	24,000	21,992	2,008
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 Fund
For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance With Final Budget
REVENUES:			
Taxes	$ 76,000	$ 78,985	$ 2,985
Miscellaneous	-	48	48
Total Revenues	76,000	79,033	3,033
EXPENDITURES -			
Current -			
Public works	76,000	74,046	1,954
Total Expenditures	76,000	74,046	1,954
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	4,987	4,987
NET CHANGE IN FUND BALANCE	-	4,987	4,987
FUND BALANCE, BEGINNING	53,984	53,984	-
FUND BALANCE, ENDING	$ 53,984	$ 58,971	$ 4,987

CITY OF COCHRAN, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Nonmajor Governmental Fund
Special Revenue – CHIP Fund
For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance With Final Budget
REVENUES -			
Intergovernmental	$ 78,000	$ 47,145	$ (30,855)
Total Revenues	78,000	47,145	(30,855)
EXPENDITURES -			
Current -			
Community development	78,000	77,045	955
Total Expenditures	78,000	77,045	955
EXCESS OF REVENUES OVER EXPENDITURES	-	(29,900)	(29,900)
OTHER FINANCING SOURCES (USES)			
Transfers in	19,000	32,900	(13,900)
Transfers (out)	(19,000)	(19,000)	-
Total Other Financing Sources (Uses)	-	13,900	(13,900)
NET CHANGE IN FUND BALANCE	-	(16,000)	(16,000)
FUND BALANCE, BEGINNING	16,000	16,000	-
FUND BALANCE, ENDING	$ 16,000	$ -	$ (16,000)

CITY OF COCHRAN, GEORGIA
Schedule of Special Purpose Local Option Sales Tax Expenditures
For the Period Ended June 30, 2022

Project	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total
Beginning 2013:					
Roads and Streets	$ 530,600	$ 530,600	$ 472,240	$ 34,757	$ 506,997
Fire Department	100,000	100,000	77,171	-	77,171
Sewer System	625,000	625,000	542,111	47,157	589,268
Water System	330,000	330,000	310,477	20,069	330,546
Police Department	200,000	200,000	208,514	-	208,514
Public Library	15,000	15,000	10,731	-	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	$ 1,839,161	$ 101,983	$ 1,941,144

CITY OF COCHRAN, GEORGIA
Schedule of Special Purpose Local Option Sales Tax Expenditures
For the Period Ended June 30, 2022

Project	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total
Beginning 2018:					
Roads and Streets	$ 375,000	$ 375,000	$ -	$ -	$ -
Water and Sewer System	709,600	709,600	-	241,696	241,696
Downtown Improvements	125,000	125,000	259	112	371
Fire Department Equipment	150,000	150,000	3,900	399	4,299
Police Department Equipment	200,000	200,000	76,536	-	76,536
City Hall Improvements	250,000	250,000	69,978	49,132	119,110
Library	15,000	15,000	-	12,095	12,095
Recreation Department	175,200	175,200	74,228	35,374	109,602
Total 2018 SPLOST	$ 1,999,800	$ 1,999,800	$ 224,901	$ 338,808	$ 563,709

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, 2022

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, 2022

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	115,951	256,651	-
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	$ 168,503	$ 625,773	$ -

Compliance Section

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

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

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, 2022, 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 August 14, 2023.

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 a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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.

August 14, 2023

2022-001 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.