CITY OF COCHRAN, GEORGIA

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

CITY OF COCHRAN, GEORGIA

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Financial Section

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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 financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Cochran, Georgia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Cochran, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Cochran, Georgia, as of June 30, 2023, 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 (GAAS) 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 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

City of Cochran, Georgia's 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 City of Cochran, Georgia'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 GAAS 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 GAAS 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 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 City of Cochran, Georgia'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 Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Contributions – Defined Benefit Plan and budgetary comparison information on pages 39-43 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.

Management 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 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 City of Cochran, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax, as required by the Official Code of Georgia ("O.C.G.A.") §48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax 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 February 21, 2024 on our consideration of City of Cochran, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Cochran, Georgia's internal control over financial reporting and compliance.

Nichols, Cauley & Associates, LLC

Dublin, Georgia
February 21, 2024

Basic Financial Statements

CITY OF COCHRAN, GEORGIA

EXHIBIT 1

STATEMENT OF NET POSITION
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Cochran Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 3,612,198	$ 3,170,581	$ 6,782,779	$ 59,713
Restricted cash, current	-	31,252	31,252	-
Investments	-	858,046	858,046	-
Receivables, net of allowances for uncollectibles:				
Taxes	183,016	-	183,016	-
Fines and forfeitures	5,981	-	5,981	-
Accounts	-	483,075	483,075	-
Intergovernmental	174,961	10,252	185,213	-
Others	35,596	153	-	-
Internal balances	133,880	(133,880)	-	
Prepaid expenses	75,490	53,884	129,374	-
Inventory, at cost	3,880	8,046	11,926	-
Investment in joint venture	-	996,143	-	-
Capital assets:				
Land and other non-depreciable assets	1,145,994	5,044,730	6,190,724	-
Other capital assets, net of depreciation	7,100,813	7,592,287	14,693,100	-
Total assets	12,471,809	18,114,569	30,586,377	59,713
DEFERRED OUTFLOWS OF RESOURCES	519,059	100,668	619,727	-
LIABILITIES				
Accounts payable	168,050	198,876	366,926	-
Deposits payable	-	69,042	69,042	-
Accrued expenses	79,395	14,615	94,010	-
Intergovernmental payable	21,200	-	21,200	-
Accrued interest payable	-	31,543	31,543	
Unearned revenue	1,784,568	-	1,784,568	-
Long-term obligations:			-	-
Net pension liability	464,090	90,008	554,098	-
Due within one year	104,889	372,360	477,248	-
Due in more than one year	56,021	7,518,626	7,574,647	-
Total liabilities	2,678,213	8,295,070	10,973,283	-
DEFERRED INFLOWS OF RESOURCES	166,314	32,256	198,570	-
NET POSITION				
Net investment in capital assets	8,219,654	4,771,861	12,991,515	-
Restricted for:				
Capital projects	1,351,771	-	1,351,771	-
Transportation projects	184,924	-	-	-
Confiscated assets - police	12,338	-	-	-
Debt service	-	31,252	-	-
Military flags	52,748	-	-	-
Unrestricted	324,906	5,084,798	5,409,704	59,713
Total net position	$ 10,146,341	$ 9,887,911	$ 20,034,252	$ 59,713

The Accompanying Notes to the Financial Statements are an integral part of this statement

CITY OF COCHRAN, GEORGIA

EXHIBIT 2

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

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
Primary Government								
Governmental Activities:								
General government	$ 1,362,601	$ 384,656	$ 1,013,812	$ 122,645	$ 158,512	$ -	$ 158,512	$ -
Public safety	2,070,384	114,299	-	-	(1,956,085)	-	(1,956,085)	-
Public works	1,056,233	-	-	643,790	(412,443)	-	(412,443)	-
Airport	322,325	-	145,433	-	(176,892)	-	-	-
Community Development	154,301	-	-	-	(154,301)	-	(154,301)	-
Interest on long-term debt	2,059	-	-	-	(2,059)	-	(2,059)	-
Total governmental activities	4,967,903	498,955	1,159,245	766,435	(2,543,268)	-	(2,366,376)	-
Business-type activities								
Water and sewer	2,194,194	2,307,173	-	45,275	-	158,254	158,254	-
Natural gas	742,342	753,222	-	-	-	10,880	10,880	-
Solid waste	963,519	887,334	-	-	-	(76,185)	(76,185)	-
Total business-type activities	3,900,055	3,947,729	-	45,275	-	92,949	92,949	-
Total primary governement	8,867,959	4,446,684	1,159,245	811,710	(2,543,268)	92,949	(2,273,428)	-
Component Unit -								
Cochran Downtown Development Authority	47,963	-	91,358	-	-	-	-	43,395
Total component units	$ 47,963	$ -	$ 91,358	$ -				43,395
General Revenues:								
Property taxes					1,246,743	-	1,246,743	-
Sales taxes					890,879	-	890,879	-
Hotel/Motel tax					23,129	-	23,129	-
Other taxes					763,598	-	763,598	-
Unrestricted investment earnings					9,407	16,700	26,107	-
Gain (loss) on disposal of capital assets					808	-	808	-
Miscellaneous					13,437	175,144	188,581	-
Total general revenues					2,948,001	191,844	3,139,845	-
Change in net position					404,733	284,793	689,525	43,395
Net position-beginning					10,585,395	9,603,118	20,188,513	16,318
Prior period adjustment - correction of an error					(843,787)	-	(843,787)	-
Net position-beginning, as restated					9,741,608	9,603,118	19,344,726	16,318
Net position-ending					$ 10,146,341	$ 9,887,911	$ 20,034,251	$ 59,713

The Accompanying Notes to the Financial Statements are an integral part of this statement

CITY OF COCHRAN, GEORGIA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	ARPA	Capital Projects-Special Sales Tax - 2013	Capital Projects-Special Sales Tax - 2018	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 290,347	$1,871,949	$ 7,757	$ 1,251,888	$ 190,257	$ 3,612,198
Receivables, net of allowances for uncollectibles:						
Taxes	181,259	-	-	-	1,757	183,016
Fines and forfeitures	5,981	-	-	-	-	5,981
Intergovernmental	75,741	-	-	92,126	7,094	174,961
Others	35,596	-	-	-	-	35,596
Due from other funds	215,637	-	-	-	-	215,637
Prepaid items	75,490	-	-	-	-	75,490
Inventory cost	3,880	-	-	-	-	3,880
Total assets	883,931	1,871,949	7,757	1,344,014	199,108	4,306,759
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	167,957	-	-	-	93	168,050
Accrued expenses	79,395	-	-	-	-	79,395
Intergovernmental	21,200	-	-	-	-	21,200
Due to other funds	-	80,000	-	-	1,757	81,757
Unearned revenue	-	1,784,568	-	-	-	1,784,568
Total liabilities	268,552	1,864,568	-	-	1,850	2,134,970
Deferred Inflows of Resources						
Unavailable revenue-property taxes	175,074	-	-	-	-	175,074
Total deferred inflows of resources	175,074	-	-	-	-	175,074
Fund Balances:						
Nonspendable:						
Prepaid expenses	75,490	-	-	-	-	75,490
Inventory	3,880	-	-	-	-	3,880
Restricted for:						
Transportation projects	-	-	-	-	184,924	184,924
Confiscated assets-police	-	-	-	-	12,334	12,334
Military flags	52,748	-	-	-	-	52,748
Capital projects	-	-	7,757	1,344,014	-	1,351,771
Unassigned	308,187	7,381	-	-	-	315,568
Total fund balances	440,305	7,381	7,757	1,344,014	197,258	1,996,715
Total liabilities, deferred inflows of resources and fund balances	$ 883,931	$1,871,949	$ 7,757	$ 1,344,014	$ 199,108	$ 4,306,759

The Accompanying Notes to the Financial Statements are an integral part of this statement

CITY OF COCHRAN, GEORGIA

EXHIBIT 4

RECONCILIATION OF BALANCE SHEET –
GOVERNMENTAL FUNDS IN THE STATEMENT OF NET POSITION
June 30, 2023

Differences in amounts reported for governmental activities in the statement of net position:		
Fund balance - total governmental funds	$	1,996,715
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		8,246,807
Certain liabilities are not due and payable in the current period and therefore not reported in the governmental funds-		
Liability for compensated absences		(133,757)
Net pension liability		(464,090)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and therfore are not reported in the governmental funds:		
Deferred outflows		519,059
Deferred inflows		(166,314)
Lease liabilites		(27,153)
Some governmental revenues will not be collected for several months after the year end and, therefore, are deferred in the governmental funds		175,074
Net position of governmental activities	$	10,146,341

The Accompanying Notes to the Financial Statements are an integral part of this statement

CITY OF COCHRAN, GEORGIA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	General	American Rescue Fund	Capital Projects-Special Sales Tax - 2013	Capital Projects-Special Sales Tax - 2018	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 2,591,171	$ -	$ -	$ -	$ 236,555	$ 2,827,726
Licenses and permits	60,457	-	-	-	-	60,457
Intergovernmental	1,170,579	80,000	-	550,685	122,645	1,923,909
Charges for services	284,024	-	-	-	-	284,024
Fines and forfeitures	154,707	-	-	-	-	154,707
Miscellaneous	12,923	7,381	26	1,512	3,297	25,139
Total revenues	4,273,861	87,381	26	552,197	362,497	5,275,962
EXPENDITURES						
Current:						
General government	1,193,951	-	-	-	-	1,193,951
Public safety	1,785,428	80,000	-	-	3,792	1,869,220
Public w orks	867,300	-	-	-	87,536	954,836
Airport	131,492	-	-	-	-	131,492
Community development	9,786	-	-	-	145,774	155,560
Capital outlay	-	-	38,914	296,894	-	335,808
Debt Service:						
Principal	44,309	-	-	-	-	44,309
Interest	2,059	-	-	-	-	2,059
Total expenditures	4,034,325	80,000	38,914	296,894	237,102	4,687,235
NET CHANGES IN FUND BALANCE	239,536	7,381	(38,888)	255,303	125,395	588,727
FUND BALANCES, BEGINNING	200,769	-	46,645	1,088,711	71,863	1,407,988
FUND BALANCES, ENDING	$ 440,305	$ 7,381	$ 7,757	$ 1,344,014	$ 197,258	$ 1,996,715

The Accompanying Notes to the Financial Statements are an integral part of this statement

CITY OF COCHRAN, GEORGIA

EXHIBIT 6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30, 2023

Differences in amounts reported for govermental activities in the statement of activities

Net change in fund balances - total governmental funds	$ 588,727
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.	256,718
Depreciation expenses on governmental capital assets are included in the governmental activities column in the Statement of Activities	(535,647)
Repayment of long-term debt is reported as an expenditure in the governmental funds, but as a reduction of long-term liabilities in the Statement of Net Position	44,309
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 government funds:	(22,585)
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 of resources related to pensions, is reported in the Statement of Activities:	(23,412)
Revenues in the Statement Activities that do not provide financial resources are no reported as revenues in funds. The amount of available revenues recognized as revenue in the Statement of Activities changes as follows:	96,623
Change in net position of governmental activities	$ 404,733

The Accompanying Notes to the Financial Statements are an integral part of this statement

CITY OF COCHRAN, GEORGIA

EXHIBIT 7

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Water and Sewer	Natural Gas	Solid Waste	Total
ASSETS				
Current Assets				
Cash	$ 2,039,124	$ 840,350	$ 291,107	$ 3,170,581
Restricted cash	31,252	-	-	31,252
Investments	858,046	-	-	858,046
Receivables, net	342,154	53,988	86,933	483,075
Intergovernmental	10,252	-	-	10,252
Other	-	-	153	153
Prepaid items	42,515	11,369	-	53,884
Inventory, at cost	8,046	-	-	8,046
Total current assets	3,331,389	905,707	378,193	4,615,289
Noncurrent Assets				
Investment in joint venture	-	996,143	-	996,143
Capital assets:				
Nondepreciable assets	5,044,215	515	-	5,044,730
Depreciable assets, net of depreciation	7,255,553	336,734	-	7,592,287
Total noncurrent assets	12,299,768	1,333,392	-	13,633,160
Total Assets	15,631,157	2,239,099	378,193	18,248,449
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	100,668	-	-	100,668
LIABILITIES				
Current Liabilities				
Accounts payable	67,843	45,876	85,157	198,876
Deposits payable	51,240	17,802	-	69,042
Salaries and benefits payable	14,615	-	-	14,615
Due to other funds	20,280	85,850	27,750	133,880
Accrued interest	31,543	-	-	31,543
Compensated absences	16,790	-	-	16,790
Total	202,311	149,528	112,907	464,746
Current Liabilities (payable from restricted assets) :				
Revenue bonds payable	120,000	-	-	120,000
Notes payable	235,570	-	-	235,570
Total current liabilities (payable from restricted assets)	355,570	-	-	355,570
Total current liabilities	557,881	149,528	112,907	820,316
Noncurrent Liabilities				
Revenue bonds payable	3,040,000	-	-	3,040,000
Notes payable	4,469,586	-	-	4,469,586
Compensated absences	9,040	-	-	9,040
Net pension liability	90,008	-	-	90,008
Total noncurrent liabilities	7,608,634	-	-	7,608,634
Total Liabilities	8,166,515	149,528	112,907	8,428,950
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to pension	32,256	-	-	32,256
NET POSITION				
Net investment in capital assets	4,434,612	337,249	-	4,771,861
Restricted for debt service	31,252	-	-	31,252
Unrestricted	3,067,190	1,752,323	265,286	5,084,799
Total net position	$ 7,533,054	$ 2,089,571	$ 265,286	$ 9,887,911

The Accompanying Notes to the Financial Statements are an integral part of this statement

CITY OF COCHRAN, GEORGIA

EXHIBIT 8

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS
Year ended June 30, 2023

	Water and Sewer	Natural Gas	Solid Waste	Total
OPERATING REVENUES				
User charges pledged as security for revenue bonds	$ 2,307,173	$ -	$ -	$ 2,307,173
Charges for services	-	753,222	887,334	1,640,556
Total operating revenues	2,307,173	753,222	887,334	3,947,729
OPERATING EXPENSES				
Salaries and benefits	418,339	-	-	418,339
Administrative overhead	578,900	171,698	111,000	861,598
Services and fees	233,579	533,101	850,225	1,616,905
Pipeline replacements	-	2,000	-	2,000
Supplies	96,078	-	359	96,437
Repairs and maintenance	95,643	2,515	1,935	100,093
Utilities	181,384	9,734	-	191,118
Insurance premiums	24,685	11,956	-	36,641
Depreciation	427,131	11,338	-	438,469
Miscellaneous	4,396	-	-	4,396
Total operating expenses	2,060,135	742,342	963,519	3,765,996
OPERATING INCOME (LOSS)	247,038	10,880	(76,185)	181,733
NON-OPERATING REVENUES (EXPENSES):				
Interest income	15,188	757	755	16,700
Income (loss) from joint venture	-	175,144	-	175,144
Intergovernmental	24,713	-	-	24,713
Interest expense	(134,059)	-	-	(134,059)
Total non-operating revenues (expenses)	(94,158)	175,901	755	82,498
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	152,880	186,781	(75,430)	264,231
Capital contributed	20,562	-	-	20,562
CHANGES IN NET POSITION	173,442	186,781	(75,430)	284,793
NET POSITION-BEGINNING	7,359,612	1,902,790	340,716	9,603,118
NET POSITION-ENDING	$ 7,533,054	$ 2,089,571	$ 265,286	$ 9,887,911

The Accompanying Notes to the Financial Statements are an integral part of this statement

CITY OF COCHRAN, GEORGIA

EXHIBIT 9

STATEMENT OF CASH FLOW
PROPRIETARY FUNDS
Year ended June 30, 2023

	Water and Sewer	Natural Gas	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	$ 2,289,136	$ 755,816	$ 873,849	$ 3,918,801
Cash paid to suppliers	(1,464,411)	(654,793)	(920,878)	(3,040,082)
Cash paid to employees	(416,297)	-	-	(416,297)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	408,428	101,023	(47,029)	462,422
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(156,514)	(136,247)	-	(292,761)
Capital grants and contributions	326,991	-	-	326,991
Proceeds from issuance of notes payable	448,820	-	-	448,820
Principal payments on bonds and notes	(515,062)	-	-	(515,062)
Interest paid on bonds and notes	(130,910)	-	-	(130,910)
NET CASH (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(26,675)	(136,247)	-	(162,922)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earned	14,951	757	755	16,463
Purchase of investments	(14,885)	-	-	(14,885)
NET CASH PROVIDED BY INVESTING ACTIVITIES	66	757	755	1,578
NET INCREASE (DECREASE) IN CASH	381,819	(34,467)	(46,274)	301,078
CASH, BEGINNING	1,688,557	874,817	337,381	2,900,755
CASH, ENDING	$ 2,070,376	$ 840,350	$ 291,107	$ 3,201,833

The Accompanying Notes to the Financial Statements are an integral part of this statement

CITY OF COCHRAN, GEORGIA

EXHIBIT 9

STATEMENT OF CASH FLOW
PROPRIETARY FUNDS
Year ended June 30, 2023

	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)	$ 247,038	$ 10,880	$ (76,185)	$ 181,733
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	427,131	$ 11,338	-	438,469
Changes in assets and liabilities:				
(Increase) decrease in:				
Account receivable	(23,154)	2,018	(13,332)	(34,468)
Prepaid items	(2,117)	(1,688)	(153)	(3,958)
Inventory, at cost	(1,429)	-	-	(1,429)
Net pension asset	49,496	-	-	49,496
Deferred outflows of resources-pensions	(59,163)	-	-	(59,163)
Increase (decrease) in:				-
Account payable	(266,480)	(7,951)	14,891	(259,540)
Deposits payable	5,116	576	-	5,692
Salaries and benefits payable	5,805	-	-	5,805
Deferred inflows of recourses-pensions	(72,215)	-	-	(72,215)
Compensated absences	(11,888)	-	-	(11,888)
Due to other funds	20,280	85,850	27,750	133,880
Net pension liability	90,008	-	-	90,008
Total adjustments	161,390	90,143	29,156	280,689
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 408,428	$ 101,023	$ (47,029)	$ 462,422
NON-CASH TRANSACTIONS AFFECTING FINANCIAL POSITION				
Contributed Capital	$ 20,562	$ -	$ -	$ 20,562
Net income (loss) from joint venture	-	$ 175,144	-	175,144
NET EFFECT OF NON-CASH TRANSACTIONS	$ 20,562	$ 175,144	$ -	$ 195,706

The Accompanying Notes to the Financial Statements are an integral part of this statement

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Cochran, Georgia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to Government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. The more significant accounting policies established in GAAP and used by the City are described below.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

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 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 will be collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period with eh exception of intergovernmental revenues, which are considered available if received within 180 days after the year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 and related debt services, and billing and collections.

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

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

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

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

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

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Budgets and Budgetary Accounting

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

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

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

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

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

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

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

Assets, Liabilities and Net Position or Fund Balance

1. 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.

2. Inventory – 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.

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

4. 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 columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost exceeding the thresholds noted below and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

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

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

   Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Property, plant and equipment and infrastructure of the primary government is depreciated using the straight line method over the following estimated useful lives:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Asset Class	Years	Capitalization Threshold
Buildings	50	$ 15,000
Building improvements	20	$ 5,000
Infrastructure	30	$ 10,000
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

5. Compensated Absences – 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.

6. 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 statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

7. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

8. 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 balance of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement to those assets.

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b. Restricted net position -Consist 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

Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Non-spendable – Fund balances are reported as non-spendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. 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 a designee to assign fund balances.

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

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

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

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

- Committed
- Assigned
- Unassigned

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 polity to consider restricted-net position to have been depleted before unrestricted-net position.

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

10. 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.

11. Allowance for Uncollectible Account - Allowance for uncollectible accounts are maintained for all types of receivables which historically experience uncollectible accounts.

12. 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.

13. Concentration 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 uncollectible is adequate to cover all anticipated future losses on these receivables.

14. 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 revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

15. 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, 2023, the City did not have any such agreements, either entered into by the City or by other governments.

16. Adoption of GASB Statement– During the current fiscal year, the City adopted GASB statement 87, Leases (GASB). 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.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 deposits 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 following captions in the statement of net position:

Cash……	$	6,782,779
Restricted Cash, Current……		31,252
Carring Amount……		7,671,156
Cash on Hand……		620
Totals……	$	7,671,776

Restricted cash is reported as a current restricted asset on the balance sheet.

NOTE 3. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

Custodial Credit Risk - Deposits – Custodial credit risk 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 $7,671,156. As of June 30, 2023, the City's deposits were fully insured or collateralized with, or securities pledged by the financial institution in the name of the City.

Discretely Presented Component Unit

The Cochran Downtown Development Authority does not have a deposit policy for custodial credit risk. As of June 30, 2023, the Cochran Downtown Development Authority's bank balance was 100% insured by the Federal Deposit Insurance Corporation.

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, 2023, were assessed at the net rate of 11.767 mills on the dollar on a total assessed valuation of $101,622,227.

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.

NOTE 3. DETAILED NOTES ON ALL FUNDS, CONTINUED

Receivables at June 30, 2023, for the City's individual major funds and its non-major funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General	ARPA	2013 SPLOST	2018 SPLOST	Nonmajor Governmental Funds	Total
Receivables:						
Taxes	$ 523,615	$ -	$ -	$ -	$ 1,757	$ 525,372
Fines and forfeitures	5,981	-	-	-	-	5,981
Intergovernmental	75,741	-	-	92,126	7,094	174,961
Others	35,596	-	-	-	-	35,596
Gross receivables	640,933	-	-	92,126	8,851	741,910
Less: allowance for Uncollectibles	(342,356)	-	-	-	-	(342,356)
Net total receivables	$ 298,577	$ -	$ -	$ 92,126	$ 8,851	$ 399,554

	Proprietary Funds			
	Water and Sewer Fund	Natural Gas Fund	Solid Waste Fund	Total
Receivables:				
Accounts	$ 845,042	$ 298,271	$ 358,613	$ 1,501,926
Interest receivable	13,695	-	-	13,695
Gross receivables	858,737	298,271	358,613	1,515,621
Less: allowance for Uncollectibles	(516,583)	(244,283)	(271,680)	(1,032,546)
Net total receivables	$ 342,154	$ 53,988	$ 86,933	$ 483,075

NOTE 3. DETAILED NOTES ON ALL FUNDS, CONTINUED

Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2023 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated -				
Land	$ 900,274	$ -	$ -	$ 900,274
Construction in progress	142,402	103,318	-	245,720
Total capital assets not being depreciated	1,042,676	103,318	-	1,145,994
Capital assets, being depreciated:				
Infrastructure	6,956,821	-	-	6,956,821
Buildings and other improvements	2,325,565	36,200	-	2,361,765
Improvements other than buildings	622,327	39,100		661,427
Machinery and equipment	3,896,160	78,100	-	3,974,260
Total capital assets, being depreciated	13,800,873	153,400	-	13,954,273
Less accumulated depreciation for:				
Infrastructure	(1,982,145)	(181,086)	-	(2,163,231)
Buildings and other improvements	(991,171)	(56,131)	-	(1,047,302)
Improvements other than buildings	(189,530)	(29,029)		(218,559)
Machinery and equipment	(3,154,967)	(269,401)	-	(3,424,368)
Total accumulated depreciation	(6,317,813)	(535,647)	-	(6,853,460)
Capital assets, being depreciated, net	7,483,060	(382,247)	-	7,100,813
Governmental activities capital assets, net	$ 8,525,736	$ (278,929)	$ -	$ 8,246,807

NOTE 3. DETAILED NOTES ON ALL FUNDS, CONTINUED

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated -				
Land	$ 10,215	$ -	$ -	$ 10,215
Construction in progress	4,897,986	136,529	-	5,034,515
Total capital assets not being depreciated	4,908,201	136,529	-	5,044,730
Capital assets, being depreciated:				
Buildings and other improvements	35,512	12,500	-	48,012
Machinery and equipment	1,214,206	7,962	-	1,222,168
Water and sewerage system	13,798,971	32,586	-	13,831,557
Gas system	633,827	123,746	-	757,573
Transmission line	667,584	-	-	667,584
Total capital assets, being depreciated	16,350,100	176,794	-	16,526,894
Less accumulated depreciation for:				
Buildings and other improvements	(27,254)	(1,044)	-	(28,298)
Machinery and equipment	(879,127)	(82,545)	-	(961,672)
Water and sewerage system	(6,500,171)	(343,959)	-	(6,844,130)
Gas system	(504,488)	(7,357)	-	(511,845)
Transmission line	(585,098)	(3,564)	-	(588,662)
Total accumulated depreciation	(8,496,138)	(438,469)	-	(8,934,607)
Capital assets, being depreciated, net	7,853,962	(261,675)	-	7,592,287
Business-type activities capital assets, net	$12,762,163	$ (125,146)	$ -	$ 12,637,017

Depreciation expense was charged to functions/programs of the primary government for the year ended June 30, 2023 as follows:

Governmental activities:	
General government	$ 49,743
Public safety	197,654
Public works	97,417
Airport	190,833
Total governmental activities depreciation expense	$ 535,647
Business-type activities:	
Water and sewer system	$ 427,131
Gas system	11,338
Total business-type activities depreciation expense	$ 438,469

NOTE 3. DETAILED NOTES ON ALL FUNDS, CONTINUED

Joint Ventures

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

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, 2022, are reported in the Natural Gas Enterprise Fund as of and for the years ended June 30, 2023.

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, 2022 are as follows:

		2023
Retained earnings, beginning.....	$	820,999
Net income for the year.....		175,144
Retained earnings, ending.....	$	996,143

The above amounts are reported in the Natural Gas Enterprise Fund of the City of Cochran as of and for the year ended June 30, 2023 are as follows:

		2023
Investment in joint venture.....	$	996,143
Net income for joint venture.....	$	175,144

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

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.

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.

NOTE 3. DETAILED NOTES ON ALL FUNDS, CONTINUED

Compliance

Deficit Fund Balance/Net Position-

No individual funds had deficit fund balances/net position.

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

The public works and airport departments had expenditures in excess of appropriations in the current year.

Long - Term Debt

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2023 was as follows:

Long-term liabilities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Governmental Activities						
Compensated absences	$ 111,172	$ 22,585	$ -	$ 133,757	$ 86,943	$ 46,814
Financed purchases	71,462	-	44,309	27,153	17,946	9,207
Total Governmental Activities	$ 182,634	$ 22,585	$ 44,309	$ 160,910	$ 104,889	$ 56,021
Business-type Activities						
Compensated absences payable	$ 37,718	$ -	$ 11,888	$ 25,830	$ 16,790	$ 9,040
Revenue bonds payable - Series 2021	3,275,000	-	115,000	3,160,000	120,000	3,040,000
Notes payable	4,656,398	448,820	400,062	4,705,156	235,570	4,469,586
Total Business-type Activities	$ 7,969,116	$ 448,820	$ 526,950	$ 7,890,986	$ 372,360	$ 7,518,626

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.

NOTE 3. DETAILED NOTES ON ALL FUNDS, CONTINUED

Long-term Debt - The following is a summary of long-term debt at June 30, 2023:

	Balance Beginning	Additions	Retirements	Balance Ending
Governmental Activities:				
Financed purchases:				
3.12% financed purchase, 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	$ 23,215	$ -	$ 6,895	$ 16,320
4.28% financed purchase, with quarterly payments of $5,700, including interest, original principal of $83,419, made on June 17, 2019, incurred to purchase two police vehicles	22,367	-	22,367	-
4.62% financed purchase, 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	8,207	-	6,528	1,679
3.49% financed purchase, 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	17,673	-	8,519	9,154
Total Financed purchases - Governmental Activities	$ 71,462	$ -	$ 44,309	$ 27,153

The total assets recorded in the governmental activities statement of net position under financed purchases outstanding at June 30, 2023, is $87,097 with accumulated amortization of $52,941. Accumulated amortization on assets recorded under financed purchases is included in accumulated depreciation. This year, $17,419 was included in depreciation expense.

NOTE 3. DETAILED NOTES ON ALL FUNDS, CONTINUED

The City's total debt service requirements for financed purchases to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2024	$ 17,946	$ 641	$ 18,587
2025	7,337	202	7,539
2026	1,870	15	1,885
	$ 27,153	$ 858	$ 28,011

	Balance Beginning	Additions	Retirements	Balance Ending
Business-Type Activities:				
Revenue Bonds Payable:				
Series 2021 -				
3.00% reducing to 2.00% by 2029 Revenue bond payable, and graduating to 2.125% by 2037 and increasing 2.375% in 2041 (Series 2021), with payments due semi-annually in increasing amount 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	$ 3,275,000	$ -	$ 115,000	$ 3,160,000
Total Revenue Bonds Payable-Business-Type Activities	$ 3,275,000	$ -	$ 115,000	$ 3,160,000

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, 2023.

NOTE 3. DETAILED NOTES ON ALL FUNDS, CONTINUED

	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	$ 1,030,579	$ -	$ 60,238	$ 970,341
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	1,899,084	216,548	119,436	1,996,196
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	1,726,735	232,272	220,388	1,738,619
Total Notes Payable-Business-Type Activities	$ 4,656,398	$ 448,820	$ 400,062	$ 4,705,156

NOTE 3. DETAILED NOTES ON ALL FUNDS, CONTINUED

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

	Governmental Activities					
Year ending	Financed purchases			Totals		
June 30	Principal	Interest	Total	Principal	Interest	Total
2024	$ 17,946	$ 641	$ 18,587	$ 17,946	$ 641	$ 18,587
2025	7,337	202	7,539	7,337	202	7,539
2026	1,870	15	1,885	1,870	15	1,885
Tota	$ 27,153	$ 858	$ 28,011	$ 27,153	$ 858	$ 28,011

	Business-Type Activities								
Year ending	Revenue Bonds			Notes Payable			Totals		
June 30	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	$ 120,000	$ 72,913	$ 192,913	$ 235,570	$ 52,825	$ 288,395	$ 355,570	$ 125,738	$ 481,308
2025	120,000	69,313	189,313	238,268	50,126	288,394	358,268	119,439	477,707
2026	125,000	65,713	190,713	240,998	47,395	288,393	365,998	113,108	479,106
2027	125,000	61,963	186,963	243,761	44,633	288,394	368,761	106,596	475,357
2028	130,000	58,212	188,212	246,555	41,839	288,394	376,555	100,051	476,606
2029-2033	705,000	243,862	948,862	1,275,835	166,134	1,441,969	1,980,835	409,996	2,390,831
2034-2038	780,000	170,069	950,069	1,338,963	91,246	1,430,209	2,118,963	261,315	2,380,278
2039-2043	870,000	83,644	953,644	885,206	22,398	907,604	1,755,206	106,042	1,861,248
2044	185,000	4,394	189,394	-	-	-	185,000	4,394	189,394
						-			
Totals	$ 3,160,000	$ 830,083	$ 3,990,083	$ 4,705,156	$ 516,596	$ 5,221,752	$ 7,865,156	$ 1,346,679	$ 9,211,835

NOTE 3. DETAILED NOTES ON ALL FUNDS, CONTINUED

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.

Interfund balances and transfers as of and for the year ended June 30, 2023, were for routine operating functions in payroll and debt service administration. The interfund balances are expected to be repaid withing one year from June 30, 2023.

Interfund balances of amounts due to/from other funds and transfers by fund as of and for the year ended June 30, 2023, are as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Hotel/Motel Fund	$ 1,757
General Fund	Water Fund	20,280
General Fund	Gas Fund	85,850
General Fund	Solid Waste Fund	27,750
General Fund	ARPA	80,000
		$ 215,637

NOTE 3. DETAILED NOTES ON ALL FUNDS, CONTINUED

Due from Other Governments

Amounts due from other governmental entities at June 30, 2023 are as follows:

	Federal	State	Other	Total
General Fund	$ -	$ 61,462	$ 14,279	$ 75,741
2018 SPLOST	-	-	92,126	92,126
TSPLOST	-	7,094	-	7,094
Total	$ -	$ 68,556	$ 106,405	$ 174,961

The revenue bonds payable required 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, 2023.

NOTE 4. OTHER INFORMATION

Retirement Plans

Defined Benefit Pension Plan

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.

b. Benefits Provided

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.

NOTE 4. OTHER INFORMATION, continued

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.

Plan membership consisted of the following at January 1, 2023, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	30
Vested terminated employees	28
Active employees	41
Active elected officials	6
Total	105

c. Contributions

The City is required to contribute at an actuarially determined rate. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the 30 year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10 year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). Plan provisions and contribution requirements are established by state statute and may be amended by the State. City contributions to the Plan were $133,739 for the year ended June 30, 2023.

d. Net Pension Liability

The City's net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

Actuarial assumptions
The total pension liability as of the January 1, 2023 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

NOTE 4. OTHER INFORMATION, continued

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 nominal returns, net of pension plan investment expense and the assumed rate of 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 plan's target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	6.80%
Global fixed income	5%	0.46%
Domestic fixed inco	20%	0.40%
Real estate	10%	3.90%
Cash	0%	0.00%
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 benefits promised to current plan participants. Therefore, the expected long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 4. OTHER INFORMATION, continued

Changes in the Net Pension Liability

Changes in the Net Pension Liability for the year ended June 30, 2023 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance, beginning of year	$ 4,967,785	$ 5,323,897	$ (356,112)
Changes for the year:			
Service Cost	65,508	-	65,508
Interest	361,703	-	361,703
Differences between expected and actual experie	(253,105)	-	(253,105)
Changes in assumption	-	-	-
Changes in benefit terms	-	-	-
Other	-	-	-
Contributions-employer	-	133,739	(133,739)
Contributions-employee	-	-	-
Net investment income	-	(854,849)	854,849
Benefit payments, including refunds	(257,680)	(257,680)	-
Administrative expense	-	(14,994)	14,994
Net changes	(83,574)	(993,784)	910,210
Balance, end of year	$ 4,884,211	$ 4,330,113	$ 554,098

The required schedule of change 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 the 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 City's net pension liability calculated using the discount rate of 7.375%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate the is 1-percentage –point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	6.375%	7.375%	8.375%
Net Pension Liability	$ 1,130,476	$ 554,098	$ 68,889

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.

NOTE 4. OTHER INFORMATION, continued

e. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The following schedule reconciles the pension contributions to the total pension expense reported by the City in the government-wide statements:

Service cost	$ 65,508
Interest on TPL	361,703
Administrative expense	14,994
Expected return on assets	(387,514)
Expensed portion of current year period differences between expected and actual experience in TPL	(63,277)
Expensed portion of current year period differences between and actual invested earnings	248,471
Current year recognition of deferred inflows and outflows established in prior years	(117,624)
Total expense	$ 122,261

The unamortized deferred outflows and inflows related to pension items are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 39,812	$ (198,570)
Changes in assumptions	33,491	-
Net difference between projected and actual earnings on pension plan investments	452,788	-
Contributions subsequent to measurement date	93,636	-
Total	$ 619,727	$ (198,570)

The 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, 2024. 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 ended June 30,	Deferred Outflows (inflows) of Resources
2024	$ 74,043
2025	(32,214)
2026	37,219
2027	248,473
2028	-
Thereafter	-
	$ 327,521

NOTE 4. OTHER INFORMATION, continued

f. Deferred Outflows of Resources and Deferred 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
Deferred Outflows -			
Pensions:			
Difference between expected and actual experience	$ 33,345	$ 6,467	$ 6,467
Changes in assumptions	28,051	5,440	5,440
Net difference between projected and actual earnings on pension plan investments	379,237	73,551	73,551
Contributions subsequent to measurement date	78,426	15,210	15,210
Total deferred outflows	$ 519,059	$ 100,668	$ 100,668
Deferred Inflows -			
Pensions:			
Difference between expected and actual experience	$ (166,314)	$ (32,256)	$ (32,256)
Total deferred inflows	$ (166,314)	$ (32,256)	$ (32,256)

NOTE 4. OTHER INFORMATION, continued

Risk Management – Claims and Judgments

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; 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.

Commitments

Reservations of fund balances of Governmental funds are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Designations of fund balance represent tentative management plans that are subject to change.

Grant Funds

The City participates in numerous grant programs on the federal and state level. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Litigation

There are no lawsuits currently pending against the City.

Tax Abatements

The City was not under a tax abatement agreement and no property taxes were reduced for the year ended June 30, 2023.

Excess of Expenditures over Appropriations in Individual Funds

The General Fund, Confiscated Assets Fund, Hotel/Motel Tax Fund, and TIA Sales Tax Fund had expenditures in excess of budgeted appropriations for the year ended June 30, 2023.

Correction of an Error

The City previously understated infrastructure for governmental activities. As the understatement related to fixed assets recognized in prior periods, a prior period adjustment was recorded to properly restate fixed assets and net position. The effect of the adjustment increased fixed assets by $90,722 with the offsetting increase to beginning net position of $90,722. Also, the City previously understated unearned revenue on the statement of net position and overstated program revenues on the statement of activities. The effect of the adjustment increased unearned revenues by $934,509 with the offsetting decrease to beginning net position of $934,509.

Required Supplementary Information Other Than Management's Discussion and Analysis

CITY OF COCHRAN, GEORGIA

EXHIBIT 10

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET (GAAP) BASIS AND ACTUAL-GENERAL FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES				
Taxes revenues	$ 2,546,100	$ 2,546,100	$ 2,591,171	$ 45,071
Licenses and permits	67,470	67,470	60,457	(7,013)
Intergovernmental	941,000	941,000	1,170,579	229,579
Charges for services	260,000	260,000	284,024	24,024
Fines and forfeitures	165,000	165,000	154,707	(10,293)
Miscellaneous	10,200	10,200	12,923	2,723
Total revenues	3,989,770	3,989,770	4,273,861	284,091
EXPENDITURES				
General government	1,215,450	1,215,450	1,193,951	21,499
Public safety	1,965,359	1,965,359	1,785,428	179,931
Public works	847,971	847,971	867,300	(19,329)
Airport	24,000	24,000	131,492	(107,492)
Community development	48,870	48,870	9,786	39,084
Debt service				
Principal payments	45,200	45,200	44,309	891
Interest expenditures	2,100	2,100	2,059	41
Total expenditures	4,148,950	4,148,950	4,034,325	114,625
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(159,180)	(159,180)	239,536	398,716
OTHER FINANCING SOURCE (USE)				
General long-term debt issued	15,980	-	-	15,980
Total other financing source (use)	15,980	-	-	15,980
NET CHANGE IN FUND BALANCE	(143,200)	(159,180)	239,536	414,696
FUND BALANCE, BEGINNING	200,769	200,769	200,769	-
FUND BALANCE, ENDING	$ 57,569	$ 41,589	$ 440,305	$ 414,696

CITY OF COCHRAN, GEORGIA

EXHIBIT 11

REQUIRED SUPPLEMENTARY INFORMATION
SCHDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET (GAAP) BASIS AND ACTUAL-AMERICAN RESCUE FUND
Year Ended June 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental revenues	$ 1,683,364	$ 1,683,364	$ 80,000	$ (1,603,364)
Miscellaneous revenues	-	-	7,381	7,381
Total revenues	1,683,364	1,683,364	87,381	(1,595,983)
EXPENDITURES				
Salaries expense	1,683,364	1,683,364	80,000	1,603,364
Total expenditures	1,683,364	1,683,364	80,000	1,603,364
NET CHANGE IN FUND BALANCE	-	-	7,381	7,381
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	$ -	$ -	$ 7,381	$ 7,381

CITY OF COCHRAN, GEORGIA

EXHIBIT 12

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PLAN
Year Ended June 30, 2023

Schedule of Pension Contributions

	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2023	$ 124,848	$ 124,848	$ -	$ 1,743,257	7.16%
2022	136,703	136,703	-	1,549,945	8.82%
2021	135,514	133,861	1,653	1,672,957	8.00%
2020	132,209	132,209	-	1,628,438	8.12%
2019	155,216	155,216	-	1,803,294	8.61%
2018	123,276	123,276	-	1,850,173	6.66%
2017	110,784	110,784	-	1,599,499	6.93%
2016	136,669	136,669	-	1,486,855	9.19%

Note: As information becomes available it will be added to this schedule until a 10 year history is presented.

CITY OF COCHRAN, GEORGIA

EXHIBIT 13

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Year Ended June 30, 2023

TOTAL PENSION LIABILITY	2023	2022	2021	2020	2019	2018	2017	2016
Service cost	$ 65,508	$ 68,572	$ 33,022	$ 78,987	$ 80,994	$ 71,745	$ 71,193	$ 88,539
Interest	361,703	345,754	169,687	318,045	324,443	297,486	291,591	284,759
Differences between expected and actual experience	(253,105)	61,007	37,233	(69,937)	(233,891)	209,328	(36,184)	(32,077)
Changes in assumption	-	-	-	-	-	81,466	-	-
Changes in benefit terms	-	-	-	-	-	-	-	-
Other	-	-	-	267,924	-	-	-	-
Benefit payments, including refunds of employee contributions	(257,680)	(254,339)	(123,606)	(252,361)	(257,325)	(249,967)	(251,103)	(255,015)
Net change in total pension liability	(83,574)	220,994	116,336	342,658	(85,779)	410,058	75,497	86,206
Total Pension Liability - beginning of year	4,967,785	4,746,791	4,630,455	4,287,797	4,373,576	3,963,518	3,888,021	3,801,815
Total Pension Liability - end of year	$ 4,884,211	$ 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	$ 133,739	$ 134,985	$ 66,104	$ 149,464	$ 121,892	$ 120,153	$ 133,321	$ 155,051
Contributions-employee	-	-	-	-	-	-	-	-
Net investment income	(854,849)	1,059,353	839,781	(271,338)	141,848	455,860	422,124	10,212
Benefit payments, including refunds of employee contributions	(257,680)	(254,339)	(123,606)	(252,361)	(257,325)	(249,967)	(251,103)	(255,015)
Administrative expense	(14,994)	(14,972)	(6,518)	(15,771)	(14,748)	(14,445)	(14,786)	(10,307)
Other	-	-	-	-	-	-	-	-
Net change in fiduciary net position	(993,784)	925,027	775,761	(390,006)	(8,333)	311,601	289,556	(100,059)
Plan fiduciary net position-beginning	5,323,897	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	$ 4,330,113	$ 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	$ 554,098	$ (356,112)	$ 347,921	$ 1,007,346	$ 274,682	$ 352,128	$ 253,671	$ 467,730
Plan Fiduciary Net Position as a % of Total Pension Liability	89%	107%	93%	78%	94%	92%	94%	88%
Covered-employee payroll	$ 1,743,257	$ 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 % of Covered employee Payroll	32%	-23%	21%	62%	15%	19%	16%	31%

Note: As information becomes available it will be added to this schedule until a 10 year history is presented.

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 valualtion 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	N/A
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	Healty Retirees and Beneficiaries: Sex-distint Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 Disabled participants: Sex-distint Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 Active particiapants, terminated vested participants, and deferred beneficiaries: Sex-distint 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.

Other Supplementary Information

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

- TIA Operating Fund- To account for TSPLOST funds that are legally restricted to expenditure for road maintenance.
- Hotel/motel Tax- To account for the revenues received that are designated for the purpose of promoting to tourism, convention, or trade shows.
- Confiscated Assets- To account for the revenues received that are designated for the purpose of enhancing law enforcement of capital outlay.
- Chip Grant Fund- To account for revenues and expenditures specific to the Chip grant.

CITY OF COCHRAN, GEORGIA

EXHIBIT 14

OTHER SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue TIA Sales Tax	Special Revenue Hotel/ Motel Tax	Special Revenue Confiscated Assets	Special Revenue CHIP Grant	Total Nonmajor Special Revenue Funds
ASSETS					
Cash	$ 177,830	$ -	$ 12,427	$ -	$ 190,257
Receivables:					
Taxes	-	1,757	-	-	1,757
Intergovernmental	7,094	-	-	-	7,094
Total assets	$ 184,924	$ 1,757	$ 12,427	$ -	$ 199,108
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	$ -	$ -	$ 93	$ -	$ 93
Due to other funds	-	1,757	-	-	1,757
Total liabilities	-	1,757	93	-	1,850
Fund Balances:					
Restricted for:					
Transportation projects	184,924	-	-	-	184,924
Confiscated assets-police	-	-	12,334	-	12,334
Total fund balance	184,924	-	12,334	-	197,258
Total liabilities and fund balance	$ 184,924	$ 1,757	$ 12,427	$ -	$ 199,108

CITY OF COCHRAN, GEORGIA

EXHIBIT 15

COMBINING SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	TIA Sales Tax	Hotel/ Motel Tax	Confiscated Assets	CHIP Grant	Total Nonmajor Special Revenue Funds
REVENUES					
Taxes	$ 213,426	$ 23,129	$ -	$ -	$ 236,555
Intergovernmental revenue	-	-	-	122,645	122,645
Miscellaneous	63	-	3,234	-	3,297
Total revenues	213,489	23,129	3,234	122,645	362,497
EXPENDITURES					
Public safety	-	-	3,792	-	3,792
Public works	87,536	-	-	-	87,536
Community development	-	23,129	-	122,645	145,774
Total expenditures	87,536	23,129	3,792	122,645	237,102
NET CHANGE IN FUND BALANCES	125,953	-	(558)	-	125,395
FUND BALANCE, BEGINNING	58,971	-	12,892	-	71,863
FUND BALANCE, ENDING	$ 184,924	$ -	$ 12,334	$ -	$ 197,258

CITY OF COCHRAN, GEORGIA

EXHIBIT 16

BUDGETARY COMPARISON
TIA SALES TAX FUND
Year Ended June 30, 2023

	Original Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	$ -	$ 213,426	$ 213,426
Miscellaneous	-	63	63
Total revenues	-	213,489	213,489
EXPENDITURES			
Public Works	-	87,536	(87,536)
Total expenditures	-	87,536	(87,536)
NET CHANGE IN FUND BALANCE	-	125,953	125,953
FUND BALANCE, BEGINNING	-	58,971	58,971
FUND BALANCE, ENDING	$ -	$ 184,924	$ 184,924

CITY OF COCHRAN, GEORGIA

EXHIBIT 17

BUDGETARY COMPARISON
HOTEL/MOTEL TAX FUND
Year Ended June 30, 2023

	Orignial and Final Budgeted Amount	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	$ 21,000	$ 23,129	$ 2,129
Total revenues	21,000	23,129	2,129
EXPENDITURES			
Community development	21,000	23,129	(2,129)
Total expenditures	21,000	23,129	(2,129)
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, BEGINNING	-	-	-
FUND BALANCE, ENDING	$ -	$ -	$ -

CITY OF COCHRAN, GEORGIA

EXHIBIT 18

BUDGETARY COMPARISON-CONFISCATED ASSETS
Year Ended June 30, 2023

	Original and Final Budgeted Amount	Actual Amounts	Final Budget - Positive (Negative)
REVENUES			
Miscellaneous	$ -	$ 3,234	$ 3,234
Total revenues	-	3,234	3,234
EXPENDITURES			
Public safety	-	3,792	(3,792)
Total expenditures	-	3,792	(3,792)
NET CHANGE IN FUND BALANCE	-	(558)	(558)
FUND BALANCE, BEGINNING	-	12,892	12,892
FUND BALANCE, ENDING	$ -	$ 12,334	$ 12,334

CITY OF COCHRAN, GEORGIA

EXHIBIT 19

BUDGETARY COMPARISON
CHIP GRANT FUND
Year Ended June 30, 2023

	Original Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	$ 400,000	$ 122,645	$ (277,355)
Total revenues	400,000	122,645	(277,355)
EXPENDITURES			
Community Development	400,000	122,645	277,355
Total expenditures	400,000	122,645	277,355
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, BEGINNING	-	-	-
FUND BALANCE, ENDING	$ -	$ -	$ -

CITY OF COCHRAN, GEORGIA

EXHIBIT 20

SCHEDULES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX EXPENDITURES
Year Ended June 30, 2023

SPLOST 2013:

Project Description Per SPLOST Referendum	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Capital projects					
Roads and Streets	$ 530,600	$ 530,600	$ 506,997	$ 4,348	$ 511,345
Fire Department	100,000	100,000	77,171	22,227	99,398
Sew er System	625,000	625,000	589,268	8,160	597,428
Water System	330,000	330,000	330,546	-	330,546
Police Department	200,000	200,000	208,514	-	208,514
Public Library	15,000	15,000	10,731	4,179	14,910
Recreation Department	175,200	175,200	207,930	-	207,930
Emergency Management Agency	24,000	24,000	9,987	-	9,987
Total	$ 1,999,800	$ 1,999,800	$ 1,941,144	$ 38,914	$ 1,980,058

SPLOST 2018:

Project Description Per SPLOST Referendum	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Capital projects					
Roads and Street	$ 375,000	$ 375,000	$ -	$ 56,471	$ 56,471
Water and Sew er System	709,600	709,600	241,696	59,609	301,305
Dow ntow n Improvements	125,000	125,000	371	40,200	40,571
Fire Department Equipment	150,000	150,000	4,299	2,744	7,043
Police Department Equipment	200,000	200,000	76,536	75,204	151,740
City Hall Improvements	250,000	250,000	119,110	30,623	149,733
Libray	15,000	15,000	12,095	10,061	22,156
Recreation Department	175,200	175,200	109,602	21,982	131,584
Total	$ 1,999,800	$ 1,999,800	$ 563,709	$ 296,894	$ 860,603

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INDEPENDENT AUDITORS 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Cochran, Georgia as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Cochran, Georgia's basic financial statements, and have issued our report thereon dated February 21, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 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 identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 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 City of Cochran, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. 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.

Nichols, Cauley & Associates, LLC

Dublin, Georgia
February 21, 2024

CITY OF COCHRAN, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2023-001

Significant Deficiency in Internal Control over Financial Reporting—Segregation of Duties

Criteria: The segregation of duties and responsibilities between different individuals for custody of assets, recordkeeping for those assets, and reconciliation of those asset accounts is an important control activity needed to adequately protect the City's assets and ensure accurate financial reporting.

Condition: Due to the limited number of personnel, overlapping of duties exists in the City's operations, primarily in the areas of cash receipts and disbursements.

Effect or Potential Effect: Without sufficient segregation of duties, the risk significantly increases that errors and fraud related to cash receipts and cash disbursements, could occur and not be detected within a timely basis.

Cause: The City's limited size and staffing resources have made it difficult for management to provide sufficient staffing to fully segregate incompatible duties in a cost-effective manner.

Recommendation: Management should continue exercise alert supervision of employees in order to protect the assets of the City.

Views of Responsible Official and Planned Corrective Actions: The City occurs with the finding and will re-evaluate assigned duties of all personnel to implement segregation of duties.