CITY OF OCILLA, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2016

CITY OF OCILLA
TABLE OF CONTENTS
JUNE 30, 2016

Description	Page Number
Independent Auditor's Report	
Basic Financial Statements:	
Government-Wide Statement of Net Position	1
Government-Wide Statement of Activities and Changes in Net Position	3
Balance Sheet - Governmental Funds	5
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	10
Statement of Net Position - Proprietary Funds	11
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	13
Statement of Cash Flows - Proprietary Funds	15
Statement of Fiduciary Net Position - Agency Fund	17
Notes to the Financial Statements	18
Required Supplementary Information:	
General Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance General Fund -GAAP Basis	41
Supplementary Information:	
General Fund:	
Balance Sheet	43
Schedule of Expenditures - Budget and Actual	44
Non-Major Governmental Funds:	
Balance Sheet	48
Statement of Revenues, Expenditures, and Changes in Fund Balance	49
Special Revenue Fund:	
Balance Sheet	50
Statement of Revenues, Expenditures, and Changes in Fund Balance	51
Statement of Revenues and Expenditures - Budget and Actual	52

CITY OF OCILLA
TABLE OF CONTENTS
JUNE 30, 2016

Description	Page Number
2009 EIP Revolving Loan Fund:	
Balance Sheet	53
Statement of Revenues, Expenditures, and Changes in Fund Balance	54
EIP Revolving Loan Fund:	
Balance Sheet	55
Statement of Revenues, Expenditures, and Changes in Fund Balance	56
Proprietary Funds:	
Enterprise Funds:	
Water Revenue Fund:	
Statement of Net Position	57
Statement of Revenues, Expenses and Changes in Fund Net Position	59
Statement of Cash Flows	61
Sewer Revenue Fund:	
Statement of Net Position	63
Statement of Revenues, Expenses and Changes in Fund Net Position	65
Statement of Cash Flows	67
Gas Revenue Fund:	
Statement of Net Position	69
Statement of Revenues, Expenses and Changes in Fund Net Position	71
Statement of Cash Flows	72
Statement of Changes in Assets and Liabilities - Agency Fund - Development Authority	74
Scheudle of Projects Using Special Purpose Local Option Sales Tax Proceeds - SPLOST 4	75
Schedule of Findings	76
Report on Internal Control over Financial Reporting and on Compliance and other matters based on an Audit of Financial Statements Performed in accordance with Government Auditing Standards	

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
Members of the City Council
City of Ocilla, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ocilla, Georgia as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ocilla, Georgia, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 41 and 42 be presented to supplement the basic financial statements. Such 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. 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 a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ocilla's basic financial statements. The statements and schedules presented as Supplementary Information and the Schedule of Projects Constructed with Special Sales Tax Proceeds, as required by the Official Code of Georgia Annotated Section, 48-8-121, as described in the table of contents on pages 43 through 75, are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the City of Ocilla, Georgia.

The statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements and

schedules presented as Supplementary Information and the Schedule of Projects Constructed with Special Sales Tax Proceeds, as required by the Official Code of Georgia Annotated Section, 48-8-121, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 2016, on our consideration of the City of Ocilla, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ocilla, Georgia's internal control over financial reporting and compliance.

Herring CPA Group, P.C.

Herring CPA Group, P.C.
Tifton, GA
December 1, 2016

CITY OF OCILLA

GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash	$ 1,223,235	$ 527,076	$ 1,750,311
Taxes receivable - (Net of allowance for uncollectibles 18,000)	40,010	0	40,010
Tax deeds	1,703	0	1,703
Accounts receivable - (Net of allowance for uncollectibles)	34,263	132,982	167,245
Due from other governments	50,161	0	50,161
Notes receivable	257,438	0	257,438
Internal balances	(4,160)	4,160	0
Inventories-material and supplies	0	50,352	50,352
Prepaid items	29,981	3,046	33,027
Grant receivable	42,536	0	42,536
Restricted assets - Cash	2,891	221,508	224,399
Non-Depreciable Items	995,484	310,748	1,306,232
Capital assets - net	486,267	2,492,891	2,979,158
Total Assets	3,159,809	3,742,763	6,902,572
DEFERRED OUTFLOWS OF RESOURCES	137,434	16,863	154,297
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 3,297,243	$ 3,759,626	$ 7,056,869

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

CITY OF OCILLA

GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Liabilities			
Accounts payable	$ 89,139	$ 23,710	$ 112,849
Salaries and wages payable	23,419	3,588	27,007
Payroll Deductions payable	4,751	350	5,101
Employee benefits	0	5,875	5,875
Due to other Governmental Agencies	164	576	740
Unearned revenue	48,253	0	48,253
Compensated absences - current	17,783	0	17,783
Bonds payable-current	0	62,241	62,241
Landfill postclosure costs - current	17,500	0	17,500
Bonds payable - non-current	0	917,838	917,838
Net pension liability	380,611	45,069	425,680
Tax escrow liability	2,766	0	2,766
Compensated absences - noncurrent	5,927	0	5,927
Landfill postclosure costs noncurrent	147,175	0	147,175
Consumers' deposits payable	0	70,199	70,199
Total Liabilities	737,488	1,129,446	1,866,934
DEFERRED INFLOWS OF RESOURCES	34,314	3,861	$ 38,175
Net Position			
Net investment in capital assets	$ 1,481,751	$ 1,823,560	$ 3,305,311
Restricted for:			
Debt Retirement	0	221,508	221,508
Economic Development	1,262,621	0	1,262,621
Public Safety	4,662	0	4,662
Unassigned	(223,593)	581,251	357,658
TOTAL NET POSITION	$ 2,525,441	$ 2,626,319	$ 5,151,760

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

CITY OF OCILLA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	$ 418,600	$ 47,824	$ 0	$ 0
Judicial	27,908	0	0	0
Public safety	1,001,915	78,686	0	0
Public works	796,244	250,873	0	543,193
Health/Welfare	65,292	29,639	0	0
Culture/ recreation	23,604	9,382	0	0
Economic development	49,507	0	0	0
Interest on long term debt	1,141	0	0	0
Total Governmental Activities	2,384,211	416,404	0	543,193
Business-Type Activities:				
Water	309,366	347,265	0	0
Sewer	375,703	296,754	0	0
Gas	272,171	328,365	0	0
Total Business-Type Activities	957,240	972,384	0	0
Total Primary Government	$ 3,341,451	$ 1,388,788	$ 0	$ 543,193
General Revenues and Transfers:				
Property taxes				
Intangible tax				
Franchise taxes				
Sales tax				
Alcoholic beverage excise taxes				
Insurance premium taxes				
Penalties and interest on delinquent taxes				
Intergovernmental revenue				
Interest				
Other revenue				
Total General Revenues				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning of Year				
Net Position - End of Year				

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

CITY OF OCILLA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

Total		Net (Expenses) Revenue and Changes in Net Position Primary Government		
		Governmental Activities	Business-Type Activities	Total
$ 47,824		$ (370,776)	$ 0	$ (370,776)
0		(27,908)	0	(27,908)
78,686		(923,229)	0	(923,229)
794,066		(2,178)	0	(2,178)
29,639		(35,653)	0	(35,653)
9,382		(14,222)	0	(14,222)
0		(49,507)	0	(49,507)
0		(1,141)	0	(1,141)
959,597		(1,424,614)	0	(1,424,614)
347,265		0	37,899	37,899
296,754		0	(78,949)	(78,949)
328,365		0	56,194	56,194
972,384		0	15,144	15,144
$ 1,931,981		$ (1,424,614)	$ 15,144	$ (1,409,470)
		$ 890,184	$ 0	$ 890,184
		3,066	0	3,066
		184,705	0	184,705
		235,132	0	235,132
		59,973	0	59,973
		196,025	0	196,025
		10,039	0	10,039
		33,904	0	33,904
		18,816	312	19,128
		56,063	0	56,063
		1,687,907	312	1,688,219
		(2,976)	2,976	0
		1,684,931	3,288	1,688,219
		260,317	18,432	278,749
		2,265,124	2,607,887	4,873,011
		$ 2,525,441	$ 2,626,319	$ 5,151,760

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

CITY OF OCILLA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	2009 EIP Revolving Loan Fund	EIP Revolving Loan Fund	Other Governmental Funds	Totals
Assets					
Cash	$ 321,237	$ 561,563	$ 208,072	$ 132,363	$ 1,223,235
Taxes receivable - delinquent	58,010	0	0	0	58,010
Tax deeds	1,703	0	0	0	1,703
Accounts receivable - (Net of allowance for uncollectibles)	34,263	0	0	0	34,263
Due from other governments	50,161	0	0	0	50,161
Notes receivable	0	0	257,438	0	257,438
Due from other funds	0	0	0	231,011	231,011
Prepaid items	29,981	0	0	0	29,981
Grant receivable	0	0	0	42,536	42,536
Restricted assets - Cash	2,891	0	0	0	2,891
TOTAL ASSETS	$ 498,246	$ 561,563	$ 465,510	$ 405,910	$ 1,931,229

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

CITY OF OCILLA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	2009 EIP Revolving Loan Fund	EIP Revolving Loan Fund	Other Governmental Funds	Totals
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable	$ 46,603	$ 0	$ 0	$ 42,536	$ 89,139
Salaries and wages payable	23,419	0	0	0	23,419
Payroll deductions payable	4,751	0	0	0	4,751
Due to other Governmental Agencies	164	0	0	0	164
Due to other funds	160,260	0	0	74,911	235,171
Unearned revenue	0	0	0	48,253	48,253
Tax escrow liability	2,766	0	0	0	2,766
Total Liabilities	237,963	0	0	165,700	403,663
Deferred Inflows of Resources:	48,980	0	0	0	48,980
Total Liabilities and Deferred Inflows of Resources	286,943	0	0	165,700	452,643
Fund Balances:					
Unassigned	181,197	0	0	0	181,197
Nonspendable Fund Balance	29,981	0	0	0	29,981
Restricted					
General Government	125	0	0	0	125
Special Revenue-Public safety	0	0	0	4,662	4,662
Special Revenue-Economic development	0	561,563	465,510	235,548	1,262,621
Total Fund Balances	211,303	561,563	465,510	240,210	1,478,586
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 498,246	$ 561,563	$ 465,510	$ 405,910	$ 1,931,229

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

CITY OF OCILLA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2016

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS				$ 1,478,586
Amounts reported for governmental activities in the government-wide statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.				1,481,751
Some of the City's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. A portion of the billed taxes will not be collected so a reserve is reported for the amount demeed uncollectable on the Government Wide Statement.				
Deferred Inflow of Resources	48,980	Reserve for Bad Debt	(18,000)	30,980
In order to comply with new regulations regarding GASB 68, additional pension liability and deferred inflows and outflows of resources must be recognized:				
Beginning Proportionate Share of Pension Liability				(263,111)
Proportionate Share of Pension Liability increased in current fiscal year.				(117,500)
Deferred Inflow of Resources				(34,314)
Deferred Outflow of Resources				137,434
Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position (exclusive of internal service funds compensated absenses)				
Balances at June 30, 2016 are:				
Compensated Absences			23,710	
Landfill Postclosure Cost			164,675	
				(188,385)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES				$ 2,525,441

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

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	2009 EIP Revolving Loan Fund	EIP Revolving Loan Fund	Other Governmental Funds	Total
Revenues					
Taxes	$ 1,570,167	$ 0	$ 0	$ 0	$ 1,570,167
Licenses and permits	47,824	0	0	0	47,824
Penalties and interest on taxes	10,039	0	0	0	10,039
Intergovernmental revenues	0	0	0	543,193	543,193
Charges for services	260,255	0	0	0	260,255
Fines and forfeitures	78,686	0	0	0	78,686
Reimbursement	29,639	0	0	0	29,639
Interest	69	14,580	4,164	3	18,816
Contribution revenue	33,904	0	0	0	33,904
Other income	39,868	0	16,195	0	56,063
Total Revenues	2,070,451	14,580	20,359	543,196	2,648,586
Expenditures					
Current:					
General government	405,226	0	0	0	405,226
Judicial	27,908	0	0	0	27,908
Public safety	968,957	0	0	75	969,032
Public works	514,172	0	0	289,079	803,251
Health/ welfare	65,292	0	0	0	65,292
Culture/ recreation	23,604	0	0	0	23,604
Economic development	33,904	0	0	15,603	49,507
Capital Outlay	36,207	0	0	0	36,207
Debt Service:					
Principal	0	0	0	0	0
Interest	1,141	0	0	0	1,141
Total Expenditures	2,076,411	0	0	304,757	2,381,168
Excess (Deficiency) of revenues Over (Under) Expenditures	(5,960)	14,580	20,359	238,439	267,418

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

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	2009 EIP Revolving Loan Fund	EIP Revolving Loan Fund	Other Governmental Funds	Total
Other Financing Sources (Uses)					
Transfer out	0	0	0	(2,976)	$ (2,976)
Net Changes in Fund Balance	(5,960)	14,580	20,359	235,463	264,442
Fund Balance - beginning of year	217,263	546,983	445,151	4,747	1,214,144
FUND BALANCE - end of year	$ 211,303	$ 561,563	$ 465,510	$ 240,210	$ 1,478,586

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

CITY OF OCILLA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS				$ 264,442
Amounts reported for governmental activities in the government-wide statement of activites are different because:				
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities , the cost of those assets is allocated over their estimated useful lives as depreciation expense.				
Purchases	45,357	Retirements	(12,200)	33,157
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, by they do not require the use of current financial resources. Therefore, this amount of depreciation expense is not reported as expenditures in the governmental funds.				
2016 Depreciation	(48,057)	Accumulated Depreciation on Retired Assets	3,050	(45,007)
Some property taxes will not be collected for several months after the city's fiscal year ends, they are not considered "available" revenues, and are deferred in the governmental funds. Deferred tax revenues decreased by this amount this year.				(1,082)
In order to comply with regulations regarding GASB 68, an additional amount of pension expense must be recognized.				(9,919)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes of two balances.				
Long term compensated absences			1,226	
Landfill postclosure cost			17,500	18,726
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES				$ 260,317

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

CITY OF OCILLA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Water Fund	Sewer Fund	Gas Fund	Total
Assets				
Current Assets:				
Cash	$ 181,307	$ 86,824	$ 258,945	$ 527,076
Accounts receivable - net	47,212	47,149	38,621	132,982
Due from other funds	18,358	2,309	21,851	42,518
Inventories-materials and supplies	20,309	25,793	4,250	50,352
Prepaid items	1,653	213	1,180	3,046
Total Current Assets	268,839	162,288	324,847	755,974
Non-Current Assets:				
Restricted assets	108,855	112,653	0	221,508
Capital assets-net	1,220,726	1,505,869	77,044	2,803,639
Total Non-Current Assets	1,329,581	1,618,522	77,044	3,025,147
Deferred Outflows of Resources	5,621	5,621	5,621	16,863
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,604,041	$ 1,786,431	$ 407,512	$ 3,797,984

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

CITY OF OCILLA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Water Fund	Sewer Fund	Gas Fund	Total
Liabilities				
Current Liabilities:				
Accounts payable	$ 7,894	$ 4,928	$ 10,888	$ 23,710
Salaries and wages payable	1,329	616	1,643	3,588
Payroll deductions payable	0	350	0	350
Employee benefits	2,460	1,068	2,347	5,875
Accrued Sales Tax	0	0	576	576
Due to other funds	0	38,358	0	38,358
Bonds payable - current	40,000	22,241	0	62,241
Consumers' deposits payable	58,837	0	11,362	70,199
Total Current Liabilities	110,520	67,561	26,816	204,897
Long-Term Liabilities:				
Bonds payable - non-current	85,000	832,838	0	917,838
Net pension liability	15,023	15,023	15,023	45,069
Total Long-Term Liabilities	100,023	847,861	15,023	962,907
TOTAL LIABILITIES	210,543	915,422	41,839	1,167,804
DEFERRED INFLOWS OF RESOURCES	1,287	1,287	1,287	3,861
Net Position				
Net investment in capital assets	1,095,726	650,790	77,044	1,823,560
Restricted-for debt retirement	108,855	112,653	0	221,508
Unrestricted	187,630	106,279	287,342	581,251
TOTAL NET POSITION	$ 1,392,211	$ 869,722	$ 364,386	$ 2,626,319

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

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Water Fund	Sewer Fund	Gas Fund	Total
Operating Revenues				
Charges for services	$ 326,553	$ 293,119	$ 328,365	$ 948,037
Other	20,712	3,635	0	24,347
Total Operating Revenues	347,265	296,754	328,365	972,384
Operating Expenses				
Personal services-salaries and wages	38,086	25,400	55,770	119,256
Group insurance	6,528	4,173	6,267	16,968
Social security and medicare contributions	2,547	1,769	4,041	8,357
Retirement contributions	1,833	1,833	1,833	5,499
Workers' compensation	2,864	1,963	1,641	6,468
Professional services	18,270	5,000	13,277	36,547
Repairs and maintenance of system	11,756	19,900	0	31,656
Technical	0	12,928	7,861	20,789
Chemicals	35,287	31,277	0	66,564
Repair and maintenance	41,658	20,199	15,237	77,094
Rental of uniforms	1,250	1,464	1,259	3,973
Insurance, other than employee benefits	12,188	4,663	4,663	21,514
Communications	4,703	0	0	4,703
Travel	1,493	0	1,921	3,414
General supplies and materials	22,425	579	13,877	36,881
Energy	41,897	62,175	2,486	106,558
Inventory purchased for resale	0	0	135,011	135,011
Other supplies	0	120	0	120
Total Operating Expenses	242,785	193,443	265,144	701,372
Operating Income (Loss) Before Depreciation	104,480	103,311	63,221	271,012
Less Depreciation	57,331	143,258	7,027	207,616

(Continued on next page)

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

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Water Fund	Sewer Fund	Gas Fund	Total
Operating Income (Loss)	$ 47,149	$ (39,947)	$ 56,194	$ 63,396
Non-Operating Revenues (Expenses):				
Interest revenues	219	93	0	312
Interest expense	(8,000)	(39,002)	0	(47,002)
Fiscal agent's fees	(1,250)	0	0	(1,250)
Total Non-Operating Revenues (Expenses)	(9,031)	(38,909)	0	(47,940)
Income Before Contributions and Transfers	38,118	(78,856)	56,194	15,455
Capital Contributions				
Transfer in-SPLOST	0	2,976	0	2,976
Total Capital Contributions	0	2,976	0	2,976
Change in Net Position	38,118	(75,880)	56,194	18,432
Total Net Position - beginning of year	1,354,093	945,602	308,192	2,607,887
Total Net Position - end of year	$ 1,392,211	$ 869,722	$ 364,386	$ 2,626,319

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

CITY OF OCILLA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Water Fund	Sewer Fund	Gas Fund	Total
Cash Flows from Operating Activities				
Cash received from customers	$ 332,537	$ 284,001	$ 301,250	$ 917,788
Cash payments for goods and services	(207,370)	(172,690)	(208,727)	(588,787)
Cash payment to employees	(31,219)	(19,823)	(50,484)	(101,526)
Net cash from operating activities	93,948	91,488	42,039	227,475
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(7,500)	0	(6,500)	(14,000)
Principal paid on revenue bonds and notes payable	(35,000)	(26,221)	0	(61,221)
Transfer in from SPLOST	0	2,976	0	2,976
Interest paid	(8,000)	(39,002)	0	(47,002)
Payments of agent fees	(1,250)	0	0	(1,250)
Net cash from capital and related financing activities	(51,750)	(62,247)	(6,500)	(120,497)
Cash Flows from Investing Activities				
Interest on investments	219	93	0	312
Net cash from Investing Activities	219	93	0	312
Net Increase (Decrease) in Cash and Restricted Cash	42,417	29,334	35,539	107,290
Cash and Restricted Cash - beginning of year	247,745	170,143	223,406	641,294
Cash and Restricted Cash - end of year	$ 290,162	$ 199,477	$ 258,945	$ 748,584
Displayed as:				
Cash	$ 181,307	$ 86,824	$ 258,945	$ 527,076
Restricted Assets	108,855	112,653	0	221,508
	$ 290,162	$ 199,477	$ 258,945	$ 748,584

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

CITY OF OCILLA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Water Fund	Sewer Fund	Gas Fund	Total
Reconciliation of operating income(loss) to net cash provided by operating activities				
Operating Income(Loss)	$ 47,149	$ (39,947)	$ 56,194	$ 63,396
Adjustments to Reconcile Operating Income to Net Cash Provided(Used) by Operating Activities				
Depreciation	57,331	143,258	$ 7,027	207,616
Changes in Assets and Liabilities:				
(Increase) Decrease in accounts receivable	(13,708)	(14,308)	(27,265)	(55,281)
(Increase) Decrease in inventories	(200)	0	3,307	3,107
(Increase) Decrease in prepaid items	833	2,317	558	3,708
Increase (Decrease) in accounts payable	1,203	(2,458)	1,424	169
Increase (Decrease) in Net Pension Liability	4,898	4,898	4,898	14,694
Increase (Decrease) in employer's share benefits	1,362	494	(254)	1,602
Increase (Decrease) in intergovernmental payable	0	0	(136)	(136)
Increase (Decrease) in salaries and wages payable	606	183	642	1,431
Increase (Decrease) in intergovernmental rec.	0	1,557	0	1,557
Increase (Decrease) in customers' deposits	(1,020)	0	150	(870)
Increase (Decrease) in Deferred Inflows of Resources	(436)	(436)	(436)	(1,308)
(Increase) Decrease in Deferred Outflows of Resources	(4,070)	(4,070)	(4,070)	(12,210)
Total Adjustments	46,799	131,435	(14,155)	164,079
Net cash from by operating activities	$ 93,948	$ 91,488	$ 42,039	$ 227,475

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

CITY OF OCILLA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND - INDUSTRIAL AUTHORITY
JUNE 30, 2016

Assets

Cash	$	9,311
Due from other Governmental Agencies		164
TOTAL ASSETS	$	9,475

Liabilities

Due to other Governmental Agencies	$	9,475
TOTAL LIABILITIES	$	9,475

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

1. Summary of Significant Accounting Policies:

General Matters

The City of Ocilla, Georgia was incorporated on December 18, 1902, by an act of the General Assembly of Georgia under 1902 Georgia Law 525, Sec. 2 as amended. The City operates under a Mayor - Council form of government.

The accounting principles of the City of Ocilla conform to generally accepted accounting principles as applied to governments. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. There are no component units reported in the City of Ocilla.

Excluded from the Reporting Entity:

Irwin County Board of Education and Irwin County Health Department

These potential component units have separate elected and/or appointed boards and provide services to residents, generally within the geographic boundaries of the government. They are excluded from the reporting entity because the government is not financially accountable for them, nor does the exclusion of these units from the reporting entity cause the financial statements to be misleading or incomplete.

Basis of Presentation

Government-wide Statements: The statements of net position and the statements of activities display information about the primary government. These statements include the financial activities of the overall government, except the fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the city. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between expense and program revenues for the different business-type activities of the city and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include (a) fees fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes are presented as general revenues.

Fund Financial Statement: The fund financial statements provide information about the City's funds, including the fiduciary funds. Separate statements for each fund category-*governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

There are five fund balance classifications in the Fund Financial Statements. They are as follow:

1. Non-spendable Fund Balance – The non-spendable fund balance classification includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. For the FYE June 30, 2016, the non-spendable fund balance is distributed as follows:

	Non-spendable Fund Balances
Prepaid Items	$ 29,981
Total	$ 29,981

2. Restricted Fund Balance – The restricted fund balance classification occurs when constraints are placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other government, or imposed by law through constitutional provisions or enabling legislation.

3. Committed Fund Balance – The committed fund balance classification occurs when amounts can only be used for specific purposes pursuant to constraints imposed by the formal action of the government's highest level of decision-making authority. Actions to establish, modify, or rescind a committed fund balance must be formalized by a resolution and a majority approval of the city council.

4. Assigned Fund Balance – The assigned fund balance classification occurs when amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed. The council or mayor is authorized to assign amounts to a specific purpose and is given this authority by resolution at a monthly meeting or special called meeting.

5. Unassigned Fund Balance – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Sometimes the government will fund outlay for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applies. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating expenses result from exchange transactions associated with the principal activity of the fund. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Nonoperating expenses result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund. This 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.

EIP Revolving Loan Fund. This is a grant to the City to be loaned to individuals and companies for the purpose of generating low to moderate income jobs to help the City's economic development. The revenue generated is from the loan interest and repayment of a loan written off in a prior year.

2009 EIP Revolving Loan Fund. This is a grant to the City to be loaned to individuals and companies for the purpose of generating low to moderate income jobs to help the City's economic development. The revenue generated is from the loan interest.

The City reports the following major enterprise funds:

Water Fund. This fund accounts for the operation, maintenance, and development of City's water services.

Sewer Fund. This fund accounts for the operation, maintenance, and development of collection and treatment of the City's water.

Gas Fund. This fund accounts for the operation, maintenance, and development of the City's gas services.

The City reports the following fund type:

Agency Fund. This fund accounts for monies held on behalf of the Development Authority that uses the City as a depository for property taxes collected on behalf of the Development Authority.

Measurement Focus, Basis of Accounting

Capital Project Fund. These funds are used to account for financial resources for the acquisition or construction of major facilities and improvements other than those financed by proprietary funds.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, includes property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, these are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental and business-type activities and enterprise funds of the City follow FASB statements and Interpretations issued on or before November 30, 1989. Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles, except those encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase. Annual appropriated budgets are adopted for the general, special revenue, and enterprise funds. All unencumbered annual appropriations lapse at fiscal year end. The legal level of control for each legally adopted annual operating budget is at the department level.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting- under which purchase orders, contracts, and other commitments for the

expenditure of monies are recorded in order to reserve that portion of the applicable appropriation- is utilized in the governmental funds. Encumbrances outstanding at the year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Cash and Investments

Cash includes amounts in demand deposits. It is the investment policy of the City of Ocilla to invest all of its cash into negotiable certificates of deposit. The City is allowed to invest in (1) obligations of the State of Georgia or other states; (2) obligations issued by the U.S. government; (3) obligations fully insured or guaranteed by the U.S government or by a government agency of the United States; (4) obligations of any corporation of the U.S government; (5) prime banker acceptances; (6) the Local Government Pool established by the State of Georgia; (7) repurchase agreements; (8) obligations of other political subdivisions of the State of Georgia; and (9) certificates of deposits or deposit accounts with eligible depository institutions (any commercial bank or trust company, mutual savings bank, savings and loan association, or building and loan association existing under the laws of Georgia or the United States and domiciled in Georgia.) For fiscal year ended June 30, 2016, all investments were in certificates of deposit with local banks and are stated at cost, which approximates market value.

Inventories

Inventories are valued at the lower of cost (first-in, first-out) or market in the proprietary fund types. Inventories in the Enterprise Funds consist of expendable supplies held for consumption and items needed for repairs or improvements to the utility system.

Short-term Interfund Receivables/Payables

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

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. The property tax levy date is August 31, 2015. The city clerk opened the books for the payment of taxes on September 1, 2015 and they remained open until December 20, 2015. Immediately after the books are closed for the payment of taxes each year the clerk should issue fifas against all parties and property that are delinquent in the payment of their taxes, and on which the property taxes have not been paid. All fifas for taxes should bear interest at the highest legal rate from the date such fifas are issued. The City bills and collects its own property taxes based on the Irwin County tax valuation in the tax digest approved by the State of Georgia. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016 are recorded as prepaid items. Generally, prepaid expenses in the general and proprietary funds consist solely of insurance premiums.

Capital Assets

Purchased or constructed assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. General infrastructure assets consist of the road network assets that are acquired or that received substantial improvements and other major infrastructure network – bridges – have not yet been reported. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives	Capitalization Threshold
Infrastructure	30	$500,000
Building and improvements	50-100	$25,000
Vehicles	2-15	$5,000
Office equipment	3-15	$5,000
Computer equipment	3-15	$5,000
Fire equipment	10-35	$5,000
Utility system additions	50-100	$10,000

Compensated Absences

The liability for vested or accumulated unpaid vacation pay amounts has been accrued in the government-wide and proprietary fund statements. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Accumulated sick pay benefits have not been recorded as a liability because the payment of the benefits is contingent upon future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Unearned Revenue- Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On both the government-fund financial statements and the government-wide financial statements, revenues are deferred for:

- Grants and entitlements received before the eligibility requirements are met (e.g. cash advances)

2. Legal Compliance - Budgets:

The City's procedures for establishing the budgetary data reflected in the financial statements are as follows:

a. Prior to July 1, the city clerk submits to the Mayor and Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them for the General Fund, Special Revenue Funds, and the Enterprise Funds.

b. Public hearings are conducted to obtain taxpayer comments.

c. The budget is formally approved by action of the Council at the first regular meeting in July of the year to which it applies.

d. All budget transfers must be approved by the Mayor and/or the Council depending on the type and/or amount of expenditure.
The legal level of control for each legally adopted annual operating budget is at the department level.

Budgets for the General Fund and Special Revenue Funds are adopted on the modified accrual basis except that encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase. There were no encumbrances outstanding at the end of the year.

Budgeted amounts are as adopted by the Council. Unencumbered appropriations lapse at year end.

3. Excess of Expenditures over Appropriations:

There was one cost center, Economic Development that had expenditures in excess of appropriations for the fiscal year ended June 30, 2016.

4. Summary of Deposit and Investment Balances:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position
Cash and Investments		
Unassigned	$ 1,750,311	$ 9,311
Restricted	224,399	0
Total	$ 1,974,710	$ 9,311

Each of the two financial institutions with which the City has depository accounts had adequate collateral pledged to the City, as well as written agreements approved by its board of directors so that pledge of collateral is valid against the FDIC.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered cash equivalents.

5. Net Investment in Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balances	Increase	Decrease	Ending Balances
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 177,261	$ 0	$ 0	$ 177,261
Improvements	818,223	0	0	818,223
Total Capital Assets not being Depreciated	995,484	0	0	995,484
Capital Assets being Depreciated:				
Buildings	283,572	0	0	283,572
Machinery and Equipment	905,701	45,357	12,200	938,858
Total Capital Assets being Depreciated	1,189,273	45,357	12,200	1,222,430
Less Accumulated Depreciation:				
Buildings	122,921	5,735	0	128,656
Machinery and Equipment	568,235	42,322	3,050	607,507
Total Accumulated Depreciation	691,156	48,057	3,050	736,163
Net Capital Assets being Depreciated	498,117	(2,700)	(9,150)	486,267
Investment in capital assets:	$1,493,601	$ (2,700)	$ (9,150)	$1,481,751

Depreciation expense of the general fund was charged to governmental functions as follows:

General Government	$ 3,455
Public Safety	34,109
Public Works	10,493
Total	$ 48,057

	Beginning Balances	Increase	Decrease	Ending Balances
Business Type Activities:				
Capital Assets not being Depreciated:				
Land	$ 310,748	$ 0	$ 0	$ 310,748
Capital Assets being Depreciated:				
Buildings	157,852	0	0	157,852
Improvements	6,501,741	0	0	6,501,741
Machinery and Equipment	1,225,663	14,000	(1,325)	1,238,338
Total Capital Assets being Depreciated	7,885,256	14,000	(1,325)	7,897,931
Less Accumulated Depreciation:				
Buildings	101,505	3,240	0	104,745
Improvements	4,178,378	183,053	0	4,360,106
Machinery and Equipment	918,867	21,323	0	940,190
Total Accumulated Depreciation	5,198,750	207,616	0	5,405,041
Net Capital Assets being Depreciated	2,686,506	(193,616)	0	2,492,890
Investment in capital assets:	$2,997,254	$(193,616)	$ 0	$2,803,639

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method.

6. Receivables at June 30, 2016, consist of the following for the fund balance:

	Major	General	Enterprise	Total
Taxes	$ 0	$ 40,010	$ 0	$ 40,010
Tax liens	0	1,703	0	1,703
Accounts	0	34,263	132,982	167,245
Due from other Govts	0	50,161	0	50,161
Notes	257,438	0	0	257,438
Internal Balances	0	(4,160)	4,160	0
Gross Receivables	$257,438	$121,977	$137,142	$ 516,557

Tax receivables are stated net of allowance for uncollectible of $18,000 for the Government Wide Statement, but with no allowance in the Governmental fund; accounts receivable are stated net of allowance for uncollectible of $1,000 for the General Fund and $5,902 for the Enterprise Funds.

7. Interfund Receivables and Payables balances were as follows at June 30, 2016:

	Interfund Receivables	Interfund Payables
General Fund- to sewer-2,309;to gas-1,851; to HPP Grant-74,911 to LMIG 2016-44,489; to SPLOST 36,700	0	160,260
Enterprise Fund		
Gas Fund- from general-1,851	1,851	0
Gas Fund- from sewer -20,000	20,000	0
Sewer fund- to water-18,358	0	18,358
Sewer fund- to gas-20,000	0	20,000
Sewer fund- from general-2,309	2,309	0
Water fund- from sewer-18,358	18,358	0
Capital Projects Fund		
SPLOST fund-from general-36,700	36,700	0
SPLOST fund-from HPP Grant-74,911	74,911	0
Special Revenue Funds		
HPP Grant fund-from general-74,911	74,911	0
HPP Grant fund-to SPLOST-74,911		74,911
LMIG 2016 fund- from general-44,489	44,489	0
Total	$ 273,529	$ 273,529

No elimination has been made between or within fund types. These interfunds receivables and payables are made for operating purposes.

The SPLOST fund has two interfund receivables. A receivable of $36,700 is due to the SPLOST fund from the General Fund to reimburse the SPLOST Fund for ineligible expenditures. This ineligible expenditure is noted in the Schedule of Findings. A receivable of $74,911 is due to a timing difference at year-end. Grant funds for the HPP Grant were direct deposited into the General Fund at the end of June. The Grant funds reimbursed expenditures that were made by the SPLOST fund. The Grant Funds were deposited in the SPLOST fund in July.

8. Restricted Assets reported in the enterprise funds are for debt retirement. They are as follows:

	Water	Sewer	Total
Cash	$108,855	$112,653	$221,508

Restricted Assets reported in the general fund is a tax escrow account. It is as follows:

	General	Total
Cash	$ 2,891	$ 2,891

9. Debt

Revenue Bonds:
Water and Sewer Revenue Bonds

The annual requirements to amortize all revenue bonds outstanding at June 30, 2016 are as follows:

	1998		2003		
Year Ending	Principal June 30	Interest Due	Principal June 30	Interest Due	Total Requirement
2017	22,241	38,023	40,000	6,250	106,514
2018	23,262	37,001	40,000	4,250	104,513
2019	24,331	35,933	45,000	2,250	107,514
2020	25,449	34,815	0	0	60,264
2021	26,618	33,646	0	0	60,264
2022-2026	152,596	148,724	0	0	301,320
2027-2031	191,018	110,302	0	0	301,320
2032-2036	239,116	62,204	0	0	301,320
2037-2039	150,448	9,427	0	0	159,875
Total	$855,079	$510,075	$125,000	$12,750	$1,502,904

Compliance:

The 1989 issue of Water and Sewer Revenue Bonds for $480,000 was paid off and new 2003 Water and Sewer Revenue Bonds for $480,000 were issued. The 2003 Water and Sewer Revenue Bond was issued pursuant to an ordinance dated May 1, 2004 due in annual installments from 15,000 to 45,000 through May 1, 2019 bearing interest 5.0% ($125,000 outstanding). The ordinance requires that all revenues arising from the operation of the Water and Sewer System be deposited into a Revenue Fund separate and apart from all other funds of the City with funds being disbursed as follows:

There shall first be paid from the Revenue Fund the reasonable and necessary costs of operating, maintaining, repairing, and insuring the System, including salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, cost of materials and supplies, cost of purchasing water, rentals of leased property, real or personal, insurance premiums, audit fees, rebate payments to the United States pursuant to Section 148 of the Code and such other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation.

In the Sinking Fund there shall be established three accounts: the interest account, the principal account and the debt service reserve account. There shall be paid into the interest account monthly an installment equal to 1/6 of the amount of interest falling due and payable on all outstanding bonds on the next succeeding interest payment date, adjusted to give credit for any other available money then in the interest account, and further adjusted if necessary to assure the timely accumulation of the required amount in approximately equal installments. There shall be paid monthly into the principal account an amount equal to 1/12 of the principal requirement falling due on all outstanding bonds plus whatever additional amounts

may be necessary in equal monthly installments to accumulate in the principal account the full principal requirement falling due in such bond year.
There shall be paid from the Revenue Fund at least quarterly into a Renewal and Extension Fund all moneys remaining in revenue fund (except for a working capital reserve in an amount not to exceed 30 days estimated operating and maintenance costs as determined by the City).

The Ordinance requires that the City maintain rates, fees, and charges of the Water and Sewer System at such a level so as to produce funds sufficient at all times to maintain, operate, repair, and insure the Water and Sewer System on a sound businesslike basis and to provide sufficient revenues for the creation and maintenance of the Sinking Fund and the Renewal and Extension Fund.

The 1998 issue of Sewer Revenue Bonds for $1,116,000 was issued pursuant to an ordinance dated March 24, 1999 due in monthly installments of $5,022 through March 24, 2039 bearing interest at 4.5% ($855,079 outstanding). The ordinance requires that all revenues arising from the operation of the Sewer System be deposited into the Revenue Fund created by the Series 2003 Ordinance with funds being disbursed as follows:

There shall first be paid from the Revenue Fund the reasonable and necessary costs of operating, maintaining, repairing, and insuring the System as required by the Series 2003 Ordinance.

There shall next be paid from the Revenue Fund the monthly sums required by the Series 2003 Ordinance for the purpose of paying the principal of and the interest on, and redemption premium, if any on the Series 2003 Bonds including the payment or maintenance of the required debt service reserves for that purpose. There shall be created a special trust fund to be known as the "City of Ocilla Water and Sewer Sinking Fund No. 2". There shall be created within the Sinking Fund an account to be known as the Bond Account and an account to be known as the Debt Service Reserve Account.

There shall next be paid from the Revenue Fund into the Bond Account an amount equal to $5,022.00 for the purpose of paying the monthly installment of the principal of and the interest on the Series 1998 Bond coming due.

There shall next be paid from the Revenue Fund into the Debt Service Reserve Account commencing with the month of closing and continuing from month to month thereafter, the sum of $502.20 until the account is fully funded with an amount equal to the Debt Service Reserve Requirement.

There shall next be paid from the Revenue Fund to the Renewal and Extension Fund which was created pursuant to the Series 2003 Ordinance, all the moneys then remaining in the Revenue Fund.

At June 30, 2016, the Water and Sewer Sinking Fund for the Series 2003 Bonds contained $7,366 in the principal and interest account (Ordinance requires $7,418), Renewal and Extension account contained $54,237. The debt service reserve account contained $47,252 (Ordinance requires $47,250). Sinking Fund No. 2 Debt Service Reserve Account for the Series 1998 Bonds contained $86,593 (Ordinance requires $60,264). The Renewal and Extension account contains $26,060.

Changes in Long-Term Obligations:

The following is a summary of the City's governmental funds for the fiscal year ended June 30, 2016:

	Beginning Balance	Addition	Payment/ Retirements	Ending Balance	Due in One year
Post closure Care Cost	182,175	0	17,500	164,675	17,500
Compensated absences	24,936	16,229	17,455	23,710	17,783
Total	207,111	16,229	34,955	188,385	35,283

Compensated absences and closure and post closure care is paid by the general fund. The following is a summary of the City's enterprise funds for the fiscal year ended June 30, 2016:

	Beginning Balance	Addition	Payment/ Retirements	Ending Balance	Due in One year
Notes Payable	4,959	0	4,959	0	0
Bonds Payable	1,036,338	0	56,259	980,079	62,241
Total	1,041,297	0	61,218	980,079	62,241

10. Pension Plan:

The City of Ocilla contributes to the Georgia Municipal Employees Benefit System, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for Georgia cities. The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements. The report may be obtained by writing to GMA, 201 Pryor Street S.W., Atlanta, Georgia 30303. For the current year, there are 11 inactive employees (3 beneficiaries) receiving benefits. There are 8 inactive employees that are entitled to but not yet receiving benefits. There are 28 active employees.

The City's payroll for employees covered by the system for the fiscal year beginning July 1, 2015 was $927,206. All full-time (over 30 hours) City employees are eligible to participate in the System. Benefits vest after 10 years of service. City employees who retire at age 65 with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1% of their average salary during their last 5 years of employment up to employee's break point plus 1.75% of average earnings for the last 5 years which exceed employee's break point times employee's years and months of credited service. The break point for employees hired prior to November 1, 1980 is based on employee's year of birth; the break point of employees hired on or after November 1, 1980 is based on employee's year of termination of employment. Employees may retire early at age 55 with 10 years of credited

service. Benefits will be reduced to compensate for longer life expectancy after retirement. The System also provides death benefits. These benefit provisions and all other requirements are established by State statute and City ordinance. Employees are not required to contribute to this plan; the City contributes 100% of the amounts necessary to fund the System, using actuarial basis specified by statute.

The City makes quarterly contributions to the plan based on employee salaries and the amortization of past service cost. For the plan year beginning January 1, 2015, the minimum funding requirement is $29,083, or 0.60% of covered payroll. This amount consists of (a) normal cost of $23,836, (b) amortization of the unfunded actuarial accrued liability of ($0), (c) interest of ($0), (d) administrative expense of $5,247, and (e) full funding credit of ($0). The amounts were developed by the plan administrators.

(A) Significant Actuarial Assumptions:

The estimates on which the cost of the Plan and any liability thereof is calculated including:

1) Investment return- the rate of investment yield which the Plan will earn over the long-term future.
2) Mortality rates- the death rates of employees and pensioners; life expectancy is based on these rates.
3) Retirement rates- the rate of probability of retirement at a given age.
4) Turnover rates- the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

The Net Investment Return is estimated to be 7.75% on-going basis. The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Nominal Real Rate of Return
Domestic Equity	50%	5.95%	9.20%
International Equity	15%	6.45%	9.70%
Fixed Income	25%	1.55%	4.80%
Real Estate	10%	3.75%	7.00%
Cash	0%		
Total	100%		

The mortality actuarial and economic assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

Three mortality rates were used:

1) Healthy: RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

2) Disabled: RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.
3) Plan Termination basis (all lives): 1994 Group Annuity Reserving Unisex Table.

The RP-2000 mortality tables were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a four-year review of mortality experience for the period January 1, 2010 to June 30, 2014. Mortality experience will be reviewed periodically and updated if necessary.

The significant actuarial assumptions used to compute the actuarial accrued liability and the annual recommended contribution of the plan meet the Actuarial Standard of Practice No. 4, Measuring Pension Obligations, establishing generally accepted actuarial principles and practices.

Additional, significant actuarial assumptions used in the current valuation are:

Net Investment Return:	7.75% On-going basis
Projected Salary Increases:	3.25% plus age and service based merit increases
Cost of Living Adjustment:	Not Applicable

(B) Funding Policy and Annual Contributions:

The funding policy for the plan is to contribute an amount equal to the recommended contribution in each year. The recommended contribution meets the guidelines for calculating an annual required contribution set forth in Paragraphs 9-10 of Statement No. 27. These contributions are determined under the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1981 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are open for this plan year.

(C) Funded Status:

The table below sets forth required supplementary information to be disclosed in the schedule of funding progress. The items presented are based on the January 1, 2013, 2014, and 2015, actuarial valuation:

	2013		2014		2015
actuarial value of assets	1,290,519		1,303,318		1,326,581
actuarial accrued liability	1,348,717		1,379,688		1,405,000
funded ratio	95.68%		94.46%		94.42%
total unfunded actuarial liability (funding excess)	58,198		76,370		78,419
annual covered payroll	780,238		844,424		927,206
ratio of unfunded (excess) to annual covered payroll	7.46%		9.04%		8.46%
contribution to the pension plan as a percentage of covered payroll	4.32%		4.51%		4.43%

The city's contributions were all made in accordance with actuarial determined requirements.

(D) Net Pension Liability:

The table below details the changes in Net Pension liability:

Changes in the Net Pension Liability			
	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability
Balances at September 30, 2014	$ 1,556,848	$ 1,263,362	$ 293,486
Changes for the year:			
Service cost	19,704	0	19,704
Interest	116,538	0	116,538
Differences between expected & actual experience	48,060	0	48,060
Contributions – Employer	0	39,480	(39,480)
Net investment income	0	17,054	(17,054)
Benefit payments, including refunds of employee contributions	(106,257)	(106,257)	0
Administrative expense		(5,056)	5,056
Net changes	77,415	(54,779)	(132,194)
Balances at September 30, 2015	$ 1,634,263	$ 1,208,583	$ 425,680

(E) Sensitivity of net pension liability:

The table below displays the sensitivity of the Net Pension Liability to changes in the discount rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
	(6.75%)	(7.75%)	(8.75%)
	$625,444	$425,680	$258,325

(F) Pension Expense:

The table below illustrates pension expense as determined by the actuarial statement.

Pension expense for the year ended June 30, 2016	
Service Cost	$ 19,074
Interest on TPL	116,538
Administrative expenses	5,056
Expected return on assets	(95,127)
Expensed portion of current year period differences between expected and actual experience in TPL	8,010
Expensed portion of current year period differences between projected and actual investment earnings	15,613
Current year recognition of deferred inflows and outflows established in prior years	(6,642)
Total Expenses	$ 62,522

(G) Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2016, the City of Ocilla recognized pension expense of $10,597. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	87,146	26,616
Changes of Assumptions		11,560
Net difference between projected and actual earnings on pension plan investments	35,844	
Employer contributions subsequent to the measurement date	31,308	
Total	154,298	38,176

City of Ocilla contributions subsequent to the measurement date of $31,308 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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:	Outflows	Inflows
2017	$ 28,745	(11,762)
2018	28,745	(11,762)
2019	28,745	(11,762)
2020	28,745	(2,890)
2021	8,010	0
Thereafter	0	0

(H) Effect of Plan Changes on the Actuarial Accrued Liability:

The effect on the actuarial accrued liability of any current-year changes in actuarial assumptions or benefit provisions is:

The plan provisions valued and the actuarial assumptions are the same as those used to determine the funded status.

(I) Effect of Plan Changes on Recommended Contributions:

The effect on the recommended contributions of any current-year changes in actuarial assumptions, benefit provisions or actuarial funding method is:

The plan provisions valued and the actuarial assumptions and cost methods are the same as those used to determine the contribution requirement for the preceding year.

(J) Three-Year Trend Information:

	1/1/14	1/1/15	1/1/16
annual pension cost	26,693	37,613	62,522
percentage of APC contributed	100%	100%	100%
net pension obligation	0	0	0

Sources of Valuation Data

Asset Data: The Georgia Municipal Employees Benefit System has supplied all asset data used in the valuation. The market value of assets is based on current values as of two months preceding the valuation date and is assumed to be current through that date.

Participant Data: The primary source of participant data for the current valuation is a census of all participants which was prepared by the employer through GMEBS. The data are typically collected by the employer two months prior to valuation date and assumed to be current through that date.

11. Utility Rates:

Water Rate

The City charges a minimum fee for water consumption of 0 to 2,000 gallons of $10.25 for residential consumers and $10.75 for commercial consumers.

Water consumption above 2,000 Gallons will be an additional charge of $1.50 per 1,000 gallons. Also, there will be an additional charge of $10.00 residential and commercial for service of customers outside of the city.

Sewer Rate

The City charges a minimum fee based on water consumption of 0 to 2,000 gallons of $12.75 for residential and commercial consumers.

Water consumption above 2,000 Gallons will be an additional charge of $1.50 per 1,000 gallons. Also, there will be an additional charge of $10.00 commercial and $7.50 residential for service of customers outside of the city.

Gas Rates

The City charges fluctuate on gas prices. Base charges of $6.00 plus sales tax for residential are charged, as well as a $25.00 base charge for commercial users.

Sanitation Rates

The City charges a rate of $17.50 per container for garbage disposal. The price is the same for residential and commercial customers. Customers requiring large dumpsters for garbage disposal contract directly with the garbage disposal provider.

12. Joint Ventures:

South Georgia Regional Commission

The City of Ocilla, in conjunction with cities and counties in the ten (10) county South Georgia area are members of the South Georgia Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The City paid annual dues in the amount of $4,506 to the RC for the year ended June 30, 2016. The RC Board membership includes chief elected officials of each county and the chief elected official of each municipality. The County 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 the non-public Board member from a County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debt of obligations of an RDC beyond its resources. (O.C.G.A. 50-8-39.1)

The South Georgia Regional Commission issues separate financial statements which may be obtained by writing to them at P.O. Box 1223 Valdosta, Georgia 31603.

Joint Development Authority

The city participates equally with three area governments in the Ben Hill-Irwin Area Joint Development Authority. The authority is a special purpose corporation organized to "create and foster an economic climate in Ben Hill and Irwin counties conductive to the growth and development of trade, commerce, industry, and employment opportunities." The city does not appoint the voting majority of the Authority's Board of Directors. The city is financially obligated for 25% share of the debt of the Joint Development Authority which is $169,614 plus interest at 5.75% at June 30, 2016. This loan is renewed annually. The Authority has completed its building phase and is currently seeking tenants. Separate financial statements may be obtained from:

Fitzgerald-Ben Hill County Chamber of Commerce
805 South Grant Street
Fitzgerald, GA 31750

13. Related Organization:

The City of Ocilla is not financially accountable for the Housing Authority; however the council members of the City of Ocilla do appoint all five members of the governing board of the Housing Authority.

14. Risk Management

The City is exposed to various risks of losses related to torts; thefts 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 the above risks of loss. Management believes that coverage is adequate to preclude any significant uninsured risk exposure to the City.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City of Ocilla became a member of the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The effective date of membership was August 22, 1985. The liability of the fund to the employees of any employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding or compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs

taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverage.

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

15. Post Closure Care Costs

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City of Ocilla and Irwin County co-own the landfill and share cost accordingly. The landfill no longer accepts waste; the consulting engineers have estimated post closure care cost for the landfill to be $399,350 - $199,675 of which will be the city's responsibility. These costs are recognized as operating expenses in the year incurred. The operating expenses for the year ended June 30, 2016 were $17,500. The actual cost of post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. This estimate is based on the cost of compliance monitoring and reporting ($164,675) for the remaining 10 years (2025) of required post closure care. The annual cost is expected to be approximately $17,500. This cost is based on 2016 dollars with no inflation adjustment.

16. Revolving Loan Funds

The city has two revolving loan funds. One of these funds currently has no loans outstanding.

The second revolving loan fund has 7 loans outstanding in the amount of $257,438. Four of the loans are current, while three loans are not current. Two loans did not receive a payment during the entire year. The city and its attorney are working with the companies in an attempt to bring all loans in to a current status or at least to collecting monthly payments.

17. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resource (revenue) until that time. The City of Ocilla reports one of these items. Property taxes are reported as deferred inflows of resources since they are recognized as receivables before the period in which the taxes are collected.

These amounts are reported as follows:

Fund	Amount
General	$ 48,980

19. Transfers

During the period ending June 30, 2016, an amount of $2,976 was transferred for a note payment in the Sewer Fund.

Purchase	Amount
Note Repayment	$ 2,976
Total	$ 2,976

20. Budget overage

The expenses in the Economic Development cost center were over budget by a total of $33,904. The overage was due to the fact that payments to the Joint Development Authority exceeded the amount that was budgeted for. The budget was not amended.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OCILLA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND - GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2016

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Advalorem taxes	$ 728,712	$ 775,561	$ 762,934	$ (12,627)
Mobile home and motor vehicle	147,000	147,000	106,077	(40,923)
Intangible tax	6,000	6,000	3,066	(2,934)
Real estate transfer tax	3,000	3,000	1,508	(1,492)
Franchise taxes	180,000	180,000	184,705	4,705
Local option sales and use taxes	285,000	285,000	235,132	(49,868)
Alcoholic beverage excise taxes	56,500	56,500	59,973	3,473
Insurance premium taxes	190,000	196,024	196,025	1
Penalties and interest on taxes	30,000	30,000	10,039	(19,961)
Business licenses	47,000	47,000	47,634	634
Regulatory fees-building structures and equipment	1,000	1,000	190	(810)
Payment in lieu of taxes	17,068	20,746	20,747	1
Charges for services-sanitation	280,000	280,000	244,973	(35,027)
Charges for services-cemetery	8,000	8,000	5,801	(2,199)
Charges for services-bad check fees	1,000	1,000	99	(901)
Fines and forfeitures	82,000	82,000	78,686	(3,314)
Interest revenue	1,000	1,000	69	(931)
Nutrition reimbursement	35,000	35,000	29,639	(5,361)
Miscellaneous revenue	22,000	25,500	39,868	14,368
Rents and royalties	16,000	16,000	9,382	(6,618)
Total Revenues	2,136,280	2,196,331	2,036,547	(159,784)
Expenditures:				
General government	409,507	569,789	406,367	(163,422)
Judicial	25,600	29,600	27,908	(1,692)
Public safety	1,032,074	1,080,337	1,005,164	(75,173)
Public works	555,034	570,200	514,172	(56,028)
Health/ welfare	66,605	66,605	65,292	(1,313)
Culture/ recreation	26,200	29,800	23,604	(6,196)
Economic development	21,260	0	33,904	33,904
Total Expenditures	2,136,280	2,346,331	2,076,411	(269,920)
Excess of Revenues Over(Under) Expenditures	0	(150,000)	(39,864)	110,136

(Continued on next page)

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

CITY OF OCILLA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND - GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2015

	Budget			
	Original	Final	Actual	Variance
Other Financing Sources (Uses)				
Transfer from Other Governmental	0	150,000	0	(150,000)
Contribution Revenue	0	0	33,904	33,904
Total Other Financing Sources	0	150,000	33,904	(116,096)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	$ 0	$ 0	$ (5,960)	$ (5,960)
Fund Balance - beginning of year			$ 217,263	
FUND BALANCE - end of year			$ 211,303	

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

SUPPLEMENTARY INFORMATION

CITY OF OCILLA
BALANCE SHEET
GENERAL FUND
JUNE 30, 2016

Assets

Cash	$ 321,237	
Taxes receivable	58,010	
Tax deeds	1,703	
Accounts receivable		
(Net of allowance for uncollectible of $1,000)	34,263	
Due from other governments	50,161	
Restricted asset	2,891	
Prepaid items	29,981	
TOTAL ASSETS		$ 498,246

Liabilities, Deferred Inflows of Resources and Fund Balances

Liabilities:		
Accounts payable	$ 46,603	
Salaries and wages payable	23,419	
Payroll deductions payable	4,751	
Tax escrow liability	2,766	
Due to other Governmental Agencies	164	
Due to other funds	160,260	
Total Liabilities		237,963
Deferred Inflows of Resources:		48,980
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		286,943
Fund Balances:		
Fund balance - unassigned	181,197	
Restricted - General Government	125	
Nonspendable fund balance	29,981	
Total Fund Balances		211,303
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		$ 498,246

CITY OF OCILLA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget			
	Original	Final	Actual	Variance
General Government:				
Legislative -				
Personal services-salaries and wages	$ 32,400	$ 32,400	$ 31,830	$ (570)
Travel	8,000	12,000	19,178	7,178
Executive -				
Personal services-salaries and wages	98,825	95,000	88,152	(6,848)
General administration -				
Personal services-salaries and wages	25,668	25,668	25,926	258
Group insurance	14,026	14,026	13,645	(381)
Social security and medicare contributions	14,469	14,469	12,465	(2,004)
Retirement contributions	35,000	35,000	37,424	2,424
Workers' compensation	45,544	41,000	38,096	(2,904)
Professional services	31,200	31,200	38,211	7,011
Technical services	10,275	10,275	7,250	(3,025)
Repairs and maintenance	2,000	3,000	4,152	1,152
Postage	1,500	1,600	1,189	(411)
Insurance, other than employee benefits	10,000	10,000	6,748	(3,252)
Communications	8,800	10,800	10,230	(570)
Travel	2,000	2,000	2,153	153
Dues and fees	10,800	10,800	8,141	(2,659)
General supplies and materials	34,000	45,551	40,866	(4,685)
Utilities	9,000	9,000	7,647	(1,353)
Payments to other agencies	14,000	14,000	11,923	(2,077)
Debt service - principal	0	150,000	0	(150,000)
Debt service - interest	2,000	2,000	1,141	(859)
Total general government	409,507	569,789	406,367	(163,422)
Judicial:				
Personal services-salaries and wages	6,600	6,600	6,600	0
Fines and forfeitures addon fees	15,000	19,000	18,654	(346)
Travel and Training	2,000	2,000	1,476	(524)
General supplies and materials	2,000	2,000	1,178	(822)
Total judicial	25,600	29,600	27,908	(1,692)

(Continued on next page)

CITY OF OCILLA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget			
	Original	Final	Actual	Variance
Public Safety:				
Police -				
Personal services-salaries and wages	$ 515,500	$ 515,500	$ 520,357	$ 4,857
Group Insurance	91,168	74,431	72,303	(2,128)
Social security and medicare contributions	39,500	39,500	36,792	(2,708)
Repairs and maintenance	16,900	28,300	24,026	(4,274)
Utilities	10,000	10,000	10,530	530
Rentals - uniforms	5,000	5,000	4,175	(825)
Communications	10,000	10,000	10,739	739
Travel	8,000	8,000	7,683	(317)
General supplies and materials	25,500	36,500	31,761	(4,739)
Gas and oil	37,000	30,000	23,975	(6,025)
Insurance, other than employee benefits	12,000	12,000	9,609	(2,391)
Capital outlays	0	46,000	36,207	(9,793)
Matches for grants	12,900	12,900	12,879	(21)
Custody of prisoners	4,000	4,000	0	(4,000)
Total police	787,468	832,131	801,036	(31,095)
Fire -				
Personal services-salaries and wages	162,162	162,162	149,003	(13,159)
Group Insurance	21,039	21,039	18,471	(2,568)
Social security and medicare contributions	12,405	12,405	10,753	(1,652)
Repairs and maintenance	11,000	11,000	4,650	(6,350)
Rentals - uniforms	5,000	5,000	1,687	(3,313)
Communications	6,000	6,000	4,315	(1,685)
Travel	5,000	5,000	1,350	(3,650)
Utilities	4,000	5,000	4,248	(752)
Insurance, other than employee benefits	4,000	4,000	1,648	(2,352)
General supplies and materials	9,000	11,600	6,246	(5,354)
Gas and oil	5,000	5,000	1,757	(3,243)
Total fire	244,606	248,206	204,128	(44,078)
Total public safety	1,032,074	1,080,337	1,005,164	(75,173)

(Continued on next page)

CITY OF OCILLA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget			
	Original	Final	Actual	Variance
Public Works:				
Highways and streets -				
Personal services-salaries and wages	$ 153,956	$ 144,000	$ 133,948	$ (10,052)
Group Insurance	42,078	42,078	34,338	(7,740)
Social security and medicare contributions	11,778	11,100	9,696	(1,404)
Unemployment Costs		9,900	4,950	(4,950)
Repairs and maintenance-equipment	5,000	11,500	15,852	4,352
Repairs and maintenance-vehicle	7,000	7,000	5,756	(1,244)
Rentals - uniforms	5,100	5,100	5,102	2
Education and training	1,500	1,500	1,286	(214)
General supplies and materials	13,000	17,000	16,601	(399)
Gas and oil	14,000	14,000	7,456	(6,544)
Utilities	4,922	5,322	4,757	(565)
Insurance, other than employee benefits	6,700	6,700	3,078	(3,622)
Street repair and maintenance	20,000	25,000	19,793	(5,207)
Street lighting	90,000	90,000	87,269	(2,731)
Total highways and streets	375,034	390,200	349,882	(40,318)
Solid waste and recycling -				
Disposal	180,000	180,000	164,290	(15,710)
Total solid waste and recycling	180,000	180,000	164,290	(15,710)
Total public works	555,034	570,200	514,172	(56,028)
Health/ Welfare				
Neighborhood center				
Operating expenditures	12,000	12,000	18,979	6,979
Nutrition				
Personal services-salaries and wages	24,605	24,605	21,981	(2,624)
Operating expenditures	30,000	30,000	24,332	(5,668)
Total health/ welfare	66,605	66,605	65,292	(1,313)

(Continued on next page)

CITY OF OCILLA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget			
	Original	Final	Actual	Variance
Culture/ Recreation:				
Other recreational facilities	$ 21,200	$ 24,800	$ 22,125	$ (2,675)
Parks	5,000	5,000	1,479	(3,521)
Total culture/ recreation	26,200	29,800	23,604	(6,196)
Economic Development:				
Joint Development Authority	21,260	0	33,904	33,904
Total Economic Development	21,260	0	33,904	33,904
Total Expenditures	$ 2,136,280	$ 2,346,331	$ 2,076,411	$ (269,920)

CITY OF OCILLA
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Total
Assets			
Cash In bank	$ 8,439	$ 123,924	$ 132,363
Grant receivable	42,536	0	42,536
Due from other funds	119,400	111,611	231,011
TOTAL ASSETS	170,375	235,535	405,910
Liabilities and Fund Balance			
Liabilities:			
Due to other funds	74,911	0	74,911
Accounts Payable	42,536	0	42,536
Unearned revenue	48,253	0	48,253
Total Liabilities	165,700	0	165,700
Fund Balance:			
Restricted	4,675	235,535	240,210
TOTAL LIABILITIES AND FUND BALANCE	$ 170,375	$ 235,535	$ 405,910

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Total
Revenues			
Federal grant	$ 223,865	$ 0	$ 223,865
Intergovernmental revenue	0	319,328	319,328
Interest income	3	0	3
Total Revenues	223,868	319,328	543,196
Expenditures			
Public works	223,865	65,214	289,079
Public safety	75	0	75
Economic development	0	15,603	15,603
Total Expenditures	223,940	80,817	304,757
Excess (Deficiency) of Revenues Over Expenditures	(72)	238,511	238,439
Other Financing Sources (Uses)			
Transfer out - sewer	0	2,976	2,976
Total Other Financing Uses	0	2,976	2,976
Net Change in Fund Balance	(72)	235,535	235,463
Fund Balance - beginning of year	4,747	0	4,747
Fund Balance - end of year	$ 4,675	$ 235,535	$ 240,210

CITY OF OCILLA
BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Police Investigation Fund	HPP Grant	TE Grant	2011 CDBG Grant 5400	2016 LMIG	Total
ASSETS						
Cash In bank	$ 4,662	$ 0	$ 3,764	$ 13	$ 0	$ 8,439
Grant receivable	0	42,536	0	0	0	42,536
Due from other funds	0	74,911	0	0	44,489	119,400
TOTAL ASSETS	$ 4,662	$ 117,447	$ 3,764	$ 13	$ 44,489	$ 170,375
LIABILITIES AND FUND BALANCE						
Liabilities:						
Due to other funds	$ 0	$ 74,911	$ 0	$ 0	$ 0	$ 74,911
Accounts Payable	0	42,536	0	0	0	42,536
Unearned revenue	0	0	3,764	0	44,489	48,253
Total Liabilities	0	117,447	3,764	0	44,489	165,700
Fund Balance:						
Restricted	4,662	0	0	13	0	4,675
Total Fund Balance	4,662	0	0	13	0	4,675
TOTAL LIABILITIES AND FUND BALANCE	$ 4,662	$ 117,447	$ 3,764	$ 13	$ 44,489	$ 170,375

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Program Activity	Police Investigation Fund	HPP Grant	2011 CDBG Grant 5400	2016 LMIG	Total
Revenue					
Federal grant	$ 0	$ 223,865	$ 0	$ 0	$ 223,865
Interest income	3	0	0	0	3
Total Revenues	3	223,865	0	0	223,868
Expenditures					
General supplies	0	0	0	0	0
Energy	0	0	0	0	0
Garbage	0	0	0	0	0
Bank fees	0	0	0	0	0
Criminal investigation	75	0	0	0	75
Street improvement	0	223,865	0	0	223,865
Total Expenditures	75	223,865	0	0	223,940
Excess (Deficiency) of Revenues Over Expenditures	(72)	0	0	0	(72)
Fund Balance - beginning of year	$ 4,734	$ 0	13	$ 0	$ 4,747
Fund Balance - end of year	$ 4,662	$ 0	$ 13	$ 0	$ 4,675

CITY OF OCILLA
STATEMENT OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Program Activity	Police Investigation Fund Budget	Police Investigation Fund Actual	Variance	HPP Grant Fund Budget	HPP Grant Fund Actual	Variance
Revenue						
Federal grant	$ 0	$ 0	$ 0	$ 223,865	$ 223,865	$ 0
Interest income	3	3	0	0	0	$ 0
Total Revenues	3	3	0	223,865	223,865	0
Expenditures						
General supplies	0	0	0	0	0	0
Energy	0	0	0	0	0	0
Garbage	0	0	0	0	0	0
Criminal investigation	75	75	0	0	0	0
Street improvement	0	0	0	223,865	223,865	0
Total Expenditures	75	75	0	223,865	223,865	0
Excess (Deficiency) of Revenues Over Expenditures	(72)	(72)	0	0	0	0

CITY OF OCILLA
BALANCE SHEET
2009 EIP REVOLVING LOAN FUND
JUNE 30, 2016

Assets	
Cash	$ 561,563
TOTAL ASSETS	$ 561,563
Fund Balance	
Fund Balance Restricted	$ 561,563
TOTAL LIABILITIES AND FUND BALANCE	$ 561,563

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
2009 EIP REVOLVING LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2016

Revenues		
Interest	$ 14,580	
Total Revenues		14,580
Expenditures		0
Excess (Deficiency) of Revenues Over Expenditures		$ 14,580
Fund Balance - beginning of year		$ 546,983
Fund Balance - end of year		$ 561,563

CITY OF OCILLA
BALANCE SHEET
EIP REVOLVING LOAN FUND
JUNE 30, 2016

Assets

Cash	$ 208,072	
Notes receivable	257,438	
TOTAL ASSETS		$ 465,510

Fund Balance

Fund Balance Restricted	$ 465,510

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
EIP REVOLVING LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2016

Revenues		
Interest	$ 4,164	
Other income	16,195	
Total Revenues		20,359
Expenditures		0
Excess (Deficiency) of Revenues Over Expenditures		$ 20,359
Fund Balance - beginning of year		$ 445,151
Fund Balance - end of year		$ 465,510

CITY OF OCILLA
STATEMENT OF NET POSITION
WATER FUND
JUNE 30, 2016

Assets

Current Assets:	
Cash	$ 181,307
Accounts receivable, net	47,212
Inventories-materials and supplies	20,309
Due from other funds	18,358
Prepaid items	1,653
Total Current Assets	268,839
Restricted Assets:	
Cash	108,855
Capital Assets:	
Sites	310,748
Buildings	132,892
Machinery and equipment	388,252
Water and sewer system	3,036,937
	3,868,829
Less accumulated depreciation	(2,648,103)
Total Capital Assets	1,220,726
Deferred Outflows of Resources	5,621
Total Assets and Deferred Outflows of Resources	$1,604,041

CITY OF OCILLA
STATEMENT OF NET POSITION
WATER FUND
JUNE 30, 2016

Liabilities	
Current Liabilities:	
Accounts payable	$ 7,894
Salaries and wages payable	1,329
Employee benefits	2,460
Bonds payable-current	40,000
Consumers' deposits payable	58,837
Total Current Liabilities	110,520
Non-current Liabilities:	
Bonds payable-non-current	85,000
Net Pension Liability	15,023
Total noncurrent liabilities	100,023
Total Liabilities	210,543
Deferred Inflows of Resources	1,287
Net Position	
Net Investment in Capital Assets	1,095,726
Restricted	108,855
Unrestricted	187,630
Total Net Position	1,392,211
Total Liabilities,Deferred Inflows of Resources, and Net Position	$1,604,041

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2016

Operating Revenues		
Water charges	$	326,553
Other		20,712
Total Operating Revenues		347,265
Operating Expenses:		
Personal services-salaries and wages		38,086
Group insurance		6,528
Social security and medicare contributions		2,547
Retirement contributions		1,833
Workers' compensation		2,864
Professional services		18,270
Repairs and maintenance of system		11,756
Repairs and maintenance		41,658
Rental of uniforms		1,250
Insurance, other than employee benefits		12,188
Communications		4,703
Travel		1,493
Chemicals		35,287
General supplies and materials		22,425
Energy		41,897
Total Operating Expenses		242,785
Operating Income(Loss) Before Depreciation		104,480
Depreciation		57,331
Operating Income (Loss)		47,149

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2016

Non-Operating Revenues (Expenses)		
Interest revenues	$	219
Interest expense		(8,000)
Fiscal agent's fee		(1,250)
Total Non-Operating Revenues (Expenses)		(9,031)
Change in Net Position	$	38,118
Total net position - beginning of year	$	1,354,093
Total net position - end of year	$	1,392,211

CITY OF OCILLA
STATEMENT OF CASH FLOWS
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2016

Cash Flows from Operating Activities	
Cash received from customers	$ 332,537
Cash payments for goods and services	(207,370)
Cash payments to employees	(31,219)
Net cash from operating activities	93,948
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(7,500)
2003 bond proceeds	
Principal paid on revenue bonds and notes	(35,000)
Contribution from grant funds	
Interest paid	(8,000)
Payment of agent fees	(1,250)
Net cash from capital and financing activities	(51,750)
Cash Flows from Investing Activities	
Interest on investments	219
Net cash from investing activities	219
Net change in cash and cash equivalents	$ 42,417
Cash and cash equivalents - beginning of year	$ 247,745
Cash and cash equivalents - end of year	$ 290,162

CITY OF OCILLA
STATEMENT OF CASH FLOWS
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2016

Reconciliation of operating income (loss) to Net cash provided by operating activities	
Operating Loss	$ 47,149
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	57,331
Amortization	0
Changes in Assets and Liabilities:	
(Increase) Decrease in accounts receivable	(13,708)
(Increase) Decrease in inventories	(200)
(Increase) Decrease in prepaid items	833
Increase (Decrease) in accounts payable	1,203
Increase (Decrease) in net pension liability	4,898
Increase (Decrease) in employer's share benefits	1,362
Increase (Decrease) in salaries and wages payable	606
Increase (Decrease) in customers' deposits	(1,020)
Increase (Decrease) in Deferred Inflows of Resources	(436)
(Increase) Decrease in Deferred Outflows of Resources	(4,070)
Net cash flows from operating activities	$ 93,948

CITY OF OCILLA
STATEMENT OF NET POSITION
SEWER FUND
JUNE 30, 2016

Assets

Current Assets:	
Cash	$ 86,824
Accounts receivable, net	47,149
Due from other funds	2,309
Inventory	25,793
Prepaid items	213
Total Current Assets	162,288
Restricted Assets:	
Cash	112,653
Capital Assets:	
Machinery and equipment	35,920
Sanitary sewer system	3,070,243
Building	24,960
Waste treatment plant	772,015
	3,903,138
Less accumulated depreciation	(2,397,269)
Total Capital Assets	1,505,869
Deferred Outflows of Resources	5,621
Total Assets and Deferred Outflows of Resources	$ 1,786,431

CITY OF OCILLA
STATEMENT OF NET POSITION
SEWER FUND
JUNE 30, 2016

Liabilities	
Current Liabilities:	
Accounts payable	$ 4,928
Salaries and wages payable	616
Payroll deductions payable	350
Employee benefits	1,068
Due to other funds	38,358
Bonds payable - current	22,241
Total Current Liabilities	67,561
Non-current Liabilities:	
Bonds payable - non-current	832,838
Net Pension Liability	15,023
Total Noncurrent Liabilities	847,861
Total Liabilities	915,422
Deferred Inflows of Resources	1,287
Net Position	
Net Investment in Capital Assets	650,790
Restricted	112,653
Unrestricted	106,279
Total Net Position	869,722
Total Liabilities, Deferred Inflows of Resources, and Net Position	$1,786,431

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2016

Operating Revenues		
Sewer charges	$	293,119
Other		3,635
Total Operating Revenues		296,754
Operating Expenses		
Personal services - salaries and wages		25,400
Group insurance		4,173
Social security and medicare contributions		1,769
Retirement contributions		1,833
Workers' compensation		1,963
Professional services		5,000
Repairs and maintenance of system		19,900
Technical		12,928
Chemicals		31,277
Repairs and maintenance		20,199
Rental of uniforms		1,464
Insurance, other than employee benefits		4,663
General supplies and materials		579
Energy		62,175
Other supplies		120
Total Operating Expenses		193,443
Operating Income(Loss) Before Depreciation		103,311
Depreciation		143,258
Operating Income (Loss)		(39,947)

(Continued on next page)

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2015

Non-Operating Revenues (Expenses)		
Interest revenues	$	93
Interest expense		(39,002)
Total Non-Operating Revenues (Expenses)		(38,909)
Loss before transfers		(78,856)
Transfers		
Transfer in from SPLOST		2,976
Total Transfers		2,976
Change in Net Position	$	(75,880)
Total net position - beginning of year	$	945,602
Total net position - end of year	$	869,722

CITY OF OCILLA
STATEMENT OF CASH FLOWS
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2016

Cash Flows from Operating Activities	
Cash received from customers	$ 284,001
Cash payments for goods and services	(172,690)
Cash payments to employees	(19,823)
Net cash from operating activities	91,488
Cash Flows from Capital and Related Financing Activities	
Operating Transfer in from SPLOST	2,976
Principal paid on revenue bonds and notes	(26,221)
Interest paid	(39,002)
Net cash from capital and financing activities	(62,247)
Cash Flows from Investing Activities	
Interest on investments	93
Net cash from investing activities	93
Net change in cash and cash equivalents	$ 29,334
Cash and cash equivalents - beginning of year	$ 170,143
Cash and cash equivalents - end of year	$ 199,477

CITY OF OCILLA
STATEMENT OF CASH FLOWS
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2016

Reconciliation of operating income (loss) to net cash provided by operating activities	
Operating income (loss)	$ (39,947)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	143,258
Changes in Assets and Liabilities:	
(Increase) Decrease in accounts receivable	(14,308)
(Increase) Decrease in prepaid items	2,317
Increase (Decrease) in accounts payable	(2,458)
Increase (Decrease) in net pension liability	4,898
Increase (Decrease) in employer's share benefits	494
Increase (Decrease) in intergovernmental receivable	1,557
Increase (Decrease) in salaries and wages payable	183
Increase (Decrease) in Deferred Inflows of Resources	(436)
(Increase) Decrease in Deferred Outflows of Resources	(4,070)
Net cash flows from operating activities	$ 91,488

CITY OF OCILLA
STATEMENT OF NET POSITION
GAS FUND
JUNE 30, 2016

Assets

Current Assets:	
Cash	$ 258,945
Accounts receivable, net	38,621
Due from other funds	21,851
Inventories-gas and supplies	4,250
Prepaid items	1,180
Total Current Assets	324,847
Capital Assets:	
Machinery and equipment	42,937
Natural gas system	393,776
	436,713
Less accumulated depreciation	(359,669)
Total Capital Assets	77,044
Deferred Outflows of Resources	5,621
Total Assets and Deferred Outflows of Resources	$ 407,512

CITY OF OCILLA
STATEMENT OF NET POSITION
GAS FUND
JUNE 30, 2016

Liabilities	
Current Liabilities:	
Accounts payable	$ 10,888
Salaries and wages payable	1,643
Employee benefits	2,347
Accrued Sales Tax	576
Consumers' deposits payable	11,362
Total Current Liabilities	26,816
Noncurrent Liabilities	
Net Pension Liability	15,023
Deferred Inflows of Resources	1,287
Net Position	
Net Investment in Capital Assets	77,044
Unrestricted	287,342
Total Net Position	364,386
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 407,512

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
GAS FUND
FOR THE YEAR ENDED JUNE 30, 2016

Operating Revenues	
Gas charges	$328,365
Total Operating Revenues	328,365
Operating Expenses	
Personal services-salaries and wages	55,770
Group insurance	6,267
Social security and medicare contributions	4,041
Retirement contributions	1,833
Workers' compensation	1,641
Professional services	13,277
Technical services	7,861
Repairs and maintenance	15,237
Rental of uniforms	1,259
Insurance, other than employee benefits	4,663
Travel	1,921
General supplies and materials	13,877
Energy	2,486
Inventory purchased for resale	135,011
Total Operating Expenses	265,144
Operating Income (Loss) Before Depreciation	63,221
Depreciation	7,027
Operating Income (Loss)	56,194
Change in Net Position	$ 56,194
Total Net Position - beginning of year	$308,192
Total Net Position - end of year	$364,386

CITY OF OCILLA
STATEMENT OF CASH FLOWS
GAS FUND
FOR THE YEAR ENDED JUNE 30, 2016

Cash Flows from Operating Activities	
Cash received from customers	$ 301,250
Cash payments for goods and services	(208,727)
Cash payments to employees	(50,484)
Net cash from operating activities	42,039
Cash Flows from Capital and Financing Activities	
Purchase of Capital Assets	(6,500)
Net cash from capital and financing activities	(6,500)
Net change in cash and cash equivalents	$ 35,539
Cash and cash equivalents - beginning of year	$ 223,406
Cash and cash equivalents - end of year	$ 258,945

CITY OF OCILLA
STATEMENT OF CASH FLOWS
GAS FUND
FOR THE YEAR ENDED JUNE 30, 2016

Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	$	56,194
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Noncash items included in operating income		
Depreciation		7,027
Changes in Assets and Liabilities:		
(Increase) Decrease in accounts receivable		(27,265)
(Increase) Decrease in inventories		3,307
(Increase) Decrease in prepaid items		558
Increase (Decrease) in accounts payable		1,424
Increase (Decrease) in net pension liability		4,898
Increase (Decrease) in employer's share benefits		(254)
Increase (Decrease) in intergovernmental payable		(136)
Increase (Decrease) in salaries and wages payable		642
Increase (Decrease) in customer deposits payable		150
Increase (Decrease) in Deferred Inflows of Resources		(436)
(Increase) Decrease in Deferred Outflows of Resources		(4,070)
Net cash flows from operating activities	$	42,039

CITY OF OCILLA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - INDUSTRIAL AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2016

Additions:		
Tax Collections	$	45,466
Total Additions		45,466
Deductions:		
Disbursement to Development Authority		60,054
Total Deductions		60,054
Change in Due to other Governmental Agencies	$	(14,588)
Due to other Governmental Agencies - beginning of year	$	24,063
Due to other Governmental Agencies - end of year	$	9,475

CITY OF OCILLA
SCHEDULE OF PROJECTS USING SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2016

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage Completed
			Prior Years	Current Year	Total	
SPLOST 4						
a) Administration	$ 80,000	$ 0	$ 0	$ 0	$ 0	0%
b) Utilities-pump station	250,000	250,000	35,774	2,976	38,750	16%
c) Rolling stock-police	100,000	25,000	24,503	0	24,503	98%
d) Street project	290,000	290,000	160,719	65,344	226,063	78%
e) Fire Station	100,000	190,000	0	0	0	0%
f) Rolling stock-fire	50,000	115,000	21,569	0	21,569	19%
g) Landfill/Sanitation project	135,000	135,000	38,261	15,473	53,734	40%
h) Rolling stock-street	30,000	30,000	19,924	0	19,924	66%
TOTAL	$ 1,035,000	$ 1,035,000	$ 300,750	$ 83,793	$ 384,543	37%

CITY OF OCILLA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

FINANCIAL STATEMENT FINDINGS

2016-1 FINDING **Accounting Personnel, lack of complete segregation of duties.**

Criteria: Adequate number of personnel should be employed to reduce conflicting job duties.

Condition: Recording, collections, and reporting are being administered by the same employees.

Effect: Lack of complete segregation of duties can result in misappropriation of funds.

Recommendation: Additional personnel should be hired or procedures should be implemented requiring the segregation of duties of the accounting personnel.

Management's response: We concur with the recommendation. We will implement oversight by the Mayor and Council. However, due to limited resources and personnel we cannot completely correct the lack of segregation of duties.

2016-2 FINDING **Accounts Receivable not reconciled to general ledger.**

Criteria: Accounts receivable ledgers need to be reconciled to the general ledger on a monthly basis.

Condition: The subsidiary accounts receivable ledgers do not agree to the general ledger.

Effect: Not reconciling subsidiary ledgers to general ledger can result in misappropriation of funds.

Recommendation: Reconcile and review monthly subsidiary accounts receivable ledgers to general ledger and review accounts before write-offs occur.

Management's response: We concur with the recommendation. Monthly reviews of the account receivables will be administered. Steps have been taken to write off uncollectable accounts at year-end on the general ledger and the subsidiary ledgers.

2016-3 FINDING **Financial statements not being prepared.**

Criteria: Financial statements are not prepared by the City.

Condition: City personnel do not have the knowledge or capability to properly prepare the financial statements.

Effect: Not having the adequate knowledge could result in misclassification of assets and liabilities.

Recommendation: The city should obtain outside assistance in drafting the financial statements.

Management's response: We concur with the recommendation. The City will continue to use the auditing firm in drafting the financial statements.

CITY OF OCILLA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

2016-4 FINDING **No records regarding creation or retention of low-to-moderate income jobs.**

Criteria: EIP Revolving Loan funds are loaned to businesses for the creation and retention of low-to-moderate income jobs.

Condition: The City has no record of jobs created or retained as a result of some of the EIP Revolving Loans.

Effect: Failure to maintain records of jobs created or retained as a result of EIP Revolving Loans could lead to a loss of funding for the program.

Recommendation: The City should establish a system of reporting regarding the employment impact of the EIP loans. Businesses should be required to report employment levels and salaries that are created or retained as a result of EIP loans.

Management's response: We concur with the recommendation. We will input procedures whereby the recipients of the loans report at least quarterly the jobs retained or created.

2016-5 FINDING **Expenditures made through the Capital Projects (SPLOST) Fund that did not adhere to the terms of the SPLOST Referendum.**

Criteria: SPLOST Funds are to be used for purposes allowed under the terms of the SPLOST Referendum.

Condition: The City allowed expenditures that were not allowable under the current SPLOST Referendum.

Effect: Failure to adhere to the resolution and terms of the SPLOST Referendum could be a violation of law.

Recommendation: The City should adhere to the resolution regarding the SPLOST fund and diligently research to insure each use of SPLOST funds is an eligible expenditure.

Management's response: We concur with the recommendation. We will input procedures whereby the use of SPLOST funds is monitored while adhering to the resolution that was passed.

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

Honorable Mayor
Members of the City Council
City of Ocilla, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ocilla, Georgia as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Ocilla's basic financial statements and have issued our report thereon dated December 1, 2016.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Ocilla's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

The City of Ocilla's Response to Findings

The City of Ocilla's response to the findings identified in our audit is described in accompanying Schedule of Findings. The City of Ocilla's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Herring CPA Group, P.C.

Herring CPA Group, P.C.
Tifton, Georgia
December 1, 2016