CITY OF OCILLA, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2017

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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, 2017, 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, 2017, 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 42 and 43 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 44 through 72, 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 January 24, 2018, 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
January 24, 2018

CITY OF OCILLA

GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2017

	Primary Government			
	Governmental Activities	Business-Type Activities	Totals	Component Units
Assets				
Cash	$ 816,468	$ 572,517	$ 1,388,985	$ 58,343
Taxes receivable - (Net of allowance for uncollectibles 18,000)	40,151	0	40,151	0
Accounts receivable - (Net of allowance for uncollectibles)	39,491	177,260	216,751	0
Due from other governments	76,930	0	76,930	14,248
Notes receivable	627,091	0	627,091	0
Internal balances	(169)	169	0	0
Inventories-material and supplies	0	56,507	56,507	0
Prepaid items	35,058	4,262	39,320	0
Grant receivable	34,950	0	34,950	22,258
Restricted assets - Cash	2,197	227,214	229,411	0
Non-Depreciable Items	310,748	310,748	621,496	0
Capital assets - net	1,145,295	2,661,291	3,806,586	0
Total Assets	3,128,210	4,009,968	7,138,178	94,849
DEFERRED OUTFLOWS OF RESOURCES	128,477	16,634	145,111	0
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 3,256,687	$ 4,026,602	$ 7,283,289	$ 94,849

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

CITY OF OCILLA

GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2017

	Primary Government			
	Governmental Activities	Business-Type Activities	Totals	Component Units
Liabilities				
Accounts payable	$ 33,723	$ 16,394	$ 50,117	$ 32,430
Salaries and wages payable	28,194	4,843	33,037	0
Payroll Deductions payable	5,043	350	5,393	0
Employee benefits	0	9,111	9,111	0
Due to other Governmental Agencies	270	903	1,173	0
Compensated absences - current	18,989	0	18,989	0
Notes payable-current	0	11,798	11,798	0
Bonds payable-current	0	63,263	63,263	0
Landfill postclosure costs - current	17,500	0	17,500	0
Notes payable - non-current	0	237,478	237,478	0
Bonds payable - non-current	0	854,578	854,578	0
Net pension liability	368,048	43,057	411,105	0
Tax escrow liability	2,132	0	2,132	0
Compensated absences - noncurrent	6,330	0	6,330	0
Landfill postclosure costs noncurrent	148,885	0	148,885	0
Consumers' deposits payable	0	69,084	69,084	0
Total Liabilities	629,114	1,310,859	1,939,973	32,430
DEFERRED INFLOWS OF RESOURCES	51,825	7,285	$ 59,110	0
Net Position				
Net investment in capital assets	$ 1,456,043	$ 1,804,922	$ 3,260,965	$ 0
Restricted for:				
General Government	125	0	125	0
Debt Retirement	0	227,214	227,214	0
Economic Development	1,352,308	0	1,352,308	0
Public Safety	4,664	0	4,664	0
Unrestricted	(237,392)	676,322	438,930	62,419
TOTAL NET POSITION	$ 2,575,748	$ 2,708,458	$ 5,284,206	$ 62,419

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, 2017

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	$ 426,405	$ 47,976	$ 0	$ 0
Judicial	37,574	0	0	0
Public safety	1,086,337	101,736	0	0
Public works	642,163	262,930	0	147,640
Health/Welfare	71,957	30,061	0	0
Culture/ recreation	42,811	16,814	0	0
Economic development	54,682	0	0	0
Interest on long term debt	479	0	0	0
Total Governmental Activities	2,362,408	459,517	0	147,640
Business-Type Activities:				
Water	390,259	361,631	0	0
Sewer	366,098	309,354	0	0
Gas	334,456	334,346	0	0
Total Business-Type Activities	1,090,813	1,005,331	0	0
Total Primary Government	$ 3,453,221	$ 1,464,848	$ 0	$ 147,640
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				
Gain on Sale of capital assets				
Intergovernmental revenue				
Interest				
Other revenue				
Total General Revenues				
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, 2017

Total		Governmental Activities	Business-Type Activities	Total	Component Units
				Net (Expenses) Revenue and Changes in Net Position Primary Government	
$	47,976	$ (378,429)	$ 0	$ (378,429)	$ (15,793)
	0	(37,574)	0	(37,574)	0
	101,736	(984,601)	0	(984,601)	(90,262)
	410,570	(231,593)	0	(231,593)	0
	30,061	(41,896)	0	(41,896)	0
	16,814	(25,997)	0	(25,997)	(1,997)
	0	(54,682)	0	(54,682)	(362)
	0	(479)	0	(479)	0
	607,157	(1,755,251)	0	(1,755,251)	$ (108,414)
	361,631	0	(28,628)	(28,628)	0
	309,354	0	(56,744)	(56,744)	0
	334,346	0	(110)	(110)	0
	1,005,331	0	(85,482)	(85,482)	0
$	1,612,488	$ (1,755,251)	$ (85,482)	$ (1,840,733)	$ (108,414)
		$ 906,363	$ 0	$ 906,363	$ 0
		1,199	0	1,199	0
		184,143	0	184,143	0
		241,721	0	241,721	0
		58,806	0	58,806	0
		212,333	0	212,333	0
		8,364	0	8,364	0
		82	0	82	0
		0	166,184	166,184	100,809
		8,745	454	9,199	0
		184,785	0	184,785	2,445
		1,806,541	166,638	1,973,179	103,254
		1,805,558	167,621	1,973,179	103,254
		50,307	82,139	132,446	(5,160)
		2,525,441	2,626,319	5,151,760	67,579
		$ 2,575,748	$ 2,708,458	$ 5,284,206	$ 62,419

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

CITY OF OCILLA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Capital Projects Fund	2009 EIP Revolving Loan Fund	EIP Revolving Loan Fund	Other Governmental Funds	Totals
Assets						
Cash	$ 121,537	$ 283,456	$ 391,826	$ 14,985	$ 4,664	$ 816,468
Taxes receivable - delinquent	58,151	0	0	0	0	58,151
Accounts receivable - (Net of allowance for uncollectibles)	39,491	0	0	0	0	39,491
Due from other governments	76,930	0	0	0	0	76,930
Notes receivable	0	0	170,000	457,091	0	627,091
Due from other funds	14,773	0	0	0	0	14,773
Prepaid items	35,058	0	0	0	0	35,058
Grant receivable	0	34,950	0	0	0	34,950
Restricted assets - Cash	2,197	0	0	0	0	2,197
TOTAL ASSETS	$ 348,137	$ 318,406	$ 561,826	$ 472,076	$ 4,664	$ 1,705,109

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

CITY OF OCILLA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Capital Projects 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	$ 33,723	$ 0	$ 0	$ 0	$ 0	$ 33,723
Salaries and wages payable	28,194	0	0	0	0	28,194
Payroll deductions payable	5,043	0	0	0	0	5,043
Due to other Governmental Agencies	270	0	0	0	0	270
Due to other funds	14,942	0	0	0	0	14,942
Tax escrow liability	2,132	0	0	0	0	2,132
Total Liabilities	84,304	0	0	0	0	84,304
Deferred Inflows of Resources:	53,553	0	0	0	0	53,553
Total Liabilities and Deferred Inflows of Resources	137,857	0	0	0	0	137,857
Fund Balances:						
Unassigned	175,097	0	0	0	0	175,097
Nonspendable Fund Balance	35,058	0	0	0	0	35,058
Restricted						
General Government	125	0	0	0	0	125
Special Revenue-Public safety	0	0	0	0	4,664	4,664
Special Revenue-Economic development	0	318,406	561,826	472,076	0	1,352,308
Total Fund Balances	210,280	318,406	561,826	472,076	4,664	1,567,252
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 348,137	$ 318,406	$ 561,826	$ 472,076	$ 4,664	$ 1,705,109

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, 2017

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS				$ 1,567,252
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.				1,456,043
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	53,553	Reserve for Bad Debt	(18,000)	35,553
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				(380,611)
Proportionate Share of Pension Liability increased in current fiscal year.				12,563
Deferred Inflow of Resources				(51,825)
Deferred Outflow of Resources				128,477
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, 2017 are:				
Compensated Absences			25,319	
Landfill Postclosure Cost			166,385	
				(191,704)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES				$ 2,575,748

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, 2017

	General Fund	Capital Projects Fund	2009 EIP Revolving Loan Fund	EIP Revolving Loan Fund	Other Governmental Funds	Total
Revenues						
Taxes	$ 1,599,992	$ 0	$ 0	$ 0	$ 0	$ 1,599,992
Licenses and permits	47,976	0	0	0	0	47,976
Penalties and interest on taxes	8,364	0	0	0	0	8,364
Intergovernmental revenues	0	147,640	0	0	0	147,640
Charges for services	279,744	0	0	0	0	279,744
Fines and forfeitures	101,736	0	0	0	0	101,736
Reimbursement	30,061	0	0	0	0	30,061
Interest	1,914	0	263	6,566	2	8,745
Other income	35,164	149,601	0	0	20	184,785
Total Revenues	2,104,951	297,241	263	6,566	22	2,409,043
Expenditures						
Current:						
General government	409,012	0	0	0	33	409,045
Judicial	37,574	0	0	0	0	37,574
Public safety	1,047,379	0	0	0	0	1,047,379
Public works	438,779	191,553	0	0	0	630,332
Health/ welfare	71,957	0	0	0	0	71,957
Culture/ recreation	42,811	0	0	0	0	42,811
Economic development	32,848	21,834	0	0	0	54,682
Capital Outlay	27,085	0	0	0	0	27,085
Debt Service:						
Interest	479	0	0	0	0	479
Total Expenditures	2,107,924	213,387	0	0	33	2,321,344
Excess (Deficiency) of revenues Over (Under) Expenditures	(2,973)	83,854	263	6,566	(11)	87,699

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, 2017

	General Fund	Capital Projects Fund	2009 EIP Revolving Loan Fund	EIP Revolving Loan Fund	Other Governmental Funds	Total
Other Financing Sources (Uses)						
Sale of general capital assets	$ 1,950	$ 0	$ 0	$ 0	$ 0	$ 1,950
Transfer out	0	(983)	0	0	0	(983)
Net Changes in Fund Balance	(1,023)	82,871	263	6,566	(11)	88,666
Fund Balance - beginning of year	211,303	235,535	561,563	465,510	4,675	1,478,586
FUND BALANCE - end of year	$ 210,280	$ 318,406	$ 561,826	$ 472,076	$ 4,664	$ 1,567,252

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, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS					$ 88,666
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	27,085	Retirements	(54,133)		(27,048)
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	(50,925)	Accumulated Depreciation on Retired Assets	54,133		3,208
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 increased by this amount this year.					4,573
In order to comply with regulations regarding GASB 68, an additional amount of pension expense must be recognized.					(13,905)
Governmental funds report the total proceeds received as revenue from capital assets sold. However, in the Government Wide Statement of Activities and Changes in Net Assets, the revenue is reduced by the undepreciated cost of these assets.					(1,868)
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				(1,609)	
Landfill postclosure cost				(1,710)	(3,319)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES					$ 50,307

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

CITY OF OCILLA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Water Fund	Sewer Fund	Gas Fund	Total
Assets				
Current Assets:				
Cash	$ 204,736	$ 124,636	$ 243,145	$ 572,517
Accounts receivable - net	57,069	63,361	56,830	177,260
Due from other funds	23,063	3,407	22,547	49,017
Inventories-materials and supplies	19,009	29,333	8,165	56,507
Prepaid items	2,264	217	1,781	4,262
Total Current Assets	306,141	220,954	332,468	859,563
Non-Current Assets:				
Restricted assets	108,971	118,243	0	227,214
Capital assets-net	1,540,676	1,362,611	68,752	2,972,039
Total Non-Current Assets	1,649,647	1,480,854	68,752	3,199,253
Deferred Outflows of Resources	6,152	5,886	4,596	16,634
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,961,940	$ 1,707,694	$ 405,816	$ 4,075,450

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

CITY OF OCILLA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Water Fund	Sewer Fund	Gas Fund	Total
Liabilities				
Current Liabilities:				
Accounts payable	$ 7,489	$ 2,784	$ 6,121	$ 16,394
Salaries and wages payable	1,557	704	2,582	4,843
Payroll deductions payable	0	350	0	350
Employee benefits	3,066	1,686	4,359	9,111
Note payable	11,798	0	0	11,798
Accrued Sales Tax	0	0	903	903
Due to other funds	10,266	38,582	0	48,848
Bonds payable - current	40,000	23,263	0	63,263
Consumers' deposits payable	58,172	0	10,912	69,084
Total Current Liabilities	132,348	67,369	24,877	224,594
Long-Term Liabilities:				
Notes payable - noncurrent	237,478	0	0	237,478
Bonds payable - non-current	45,000	809,578	0	854,578
Net pension liability	14,017	14,520	14,520	43,057
Total Long-Term Liabilities	296,495	824,098	14,520	1,135,113
TOTAL LIABILITIES	428,843	891,467	39,397	1,359,707
DEFERRED INFLOWS OF RESOURCES	2,999	2,143	2,143	7,285
Net Position				
Net investment in capital assets	1,206,400	529,770	68,752	1,804,922
Restricted-for debt retirement	108,971	118,243	0	227,214
Unrestricted	214,727	166,071	295,524	676,322
TOTAL NET POSITION	$ 1,530,098	$ 814,084	$ 364,276	$ 2,708,458

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, 2017

	Water Fund	Sewer Fund	Gas Fund	Total
Operating Revenues				
Charges for services	$ 336,804	$ 307,054	$ 334,346	$ 978,204
Other	24,827	2,300	0	27,127
Total Operating Revenues	361,631	309,354	334,346	1,005,331
Operating Expenses				
Personal services-salaries and wages	73,141	19,303	75,510	167,954
Group insurance	9,017	1,210	6,528	16,755
Social security and medicare contributions	5,222	1,317	5,318	11,857
Retirement contributions	3,615	1,808	1,808	7,231
Workers' compensation	2,253	430	1,296	3,979
Professional services	50,618	5,000	42,682	98,300
Repairs and maintenance of system	10,621	6,276	0	16,897
Technical	0	11,156	6,273	17,429
Chemicals	31,231	36,468	0	67,699
Repair and maintenance	42,635	36,954	11,500	91,089
Rental of uniforms	2,022	1,947	1,527	5,496
Insurance, other than employee benefits	12,901	5,367	5,367	23,635
Communications	5,501	0	0	5,501
Dues	350	0	0	350
Travel	2,020	0	2,490	4,510
General supplies and materials	22,083	5,510	41,831	69,424
Energy	42,234	52,003	2,753	96,990
Inventory purchased for resale	0	0	121,281	121,281
Miscellaneous	10,266	0	0	10,266
Other supplies	0	65	0	65
Total Operating Expenses	325,730	184,814	326,164	836,708
Operating Income (Loss) Before Depreciation	35,901	124,540	8,182	168,623
Less Depreciation	56,659	143,258	8,292	208,209

(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, 2017

	Water Fund	Sewer Fund	Gas Fund	Total
Operating Income (Loss)	$ (20,758)	$ (18,718)	$ (110)	$ (39,586)
Non-Operating Revenues (Expenses):				
Interest revenues	331	123	0	454
Interest expense	(6,620)	(38,026)	0	(44,646)
Fiscal agent's fees	(1,250)	0	0	(1,250)
Total Non-Operating Revenues (Expenses)	(7,539)	(37,903)	0	(45,442)
Income Before Contributions and Transfers	(28,297)	(56,621)	(110)	(85,029)
Capital Contributions				
Contribution from Grant	166,184	0	0	166,184
Transfer in-SPLOST	0	983	0	983
Total Capital Contributions	166,184	983	0	167,167
Change in Net Position	137,887	(55,638)	(110)	82,139
Total Net Position - beginning of year	1,392,211	869,722	364,386	2,626,319
Total Net Position - end of year	$ 1,530,098	$ 814,084	$ 364,276	$2,708,458

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, 2017

	Water Fund	Sewer Fund	Gas Fund	Total
Cash Flows from Operating Activities				
Cash received from customers	$ 356,670	$ 292,268	$ 314,991	$ 963,929
Cash payments for goods and services	(251,123)	(170,608)	(257,729)	(679,460)
Cash payment to employees	(73,313)	(19,100)	(73,062)	(165,475)
Net cash from operating activities	32,234	102,560	(15,800)	118,994
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(376,610)	0	0	(376,610)
Principal paid on revenue bonds and notes payable	(40,000)	(22,238)	0	(62,238)
Transfer in from SPLOST	0	983	0	983
Interest paid	(6,620)	(38,026)	0	(44,646)
Proceeds from Note	415,460	0	0	415,460
Payments of agent fees	(1,250)	0	0	(1,250)
Net cash from capital and related financing activities	(9,020)	(59,281)	0	(68,301)
Cash Flows from Investing Activities				
Interest on investments	331	123	0	454
Net cash from Investing Activities	331	123	0	454
Net Increase (Decrease) in Cash and Restricted Cash	23,545	43,402	(15,800)	51,147
Cash and Restricted Cash - beginning of year	290,162	199,477	258,945	748,584
Cash and Restricted Cash - end of year	$ 313,707	$ 242,879	$ 243,145	$ 799,731
Displayed as:				
Cash	$ 204,736	$ 124,636	$ 243,145	$ 572,517
Restricted Assets	108,971	118,243	0	227,214
	$ 313,707	$ 242,879	$ 243,145	$ 799,731

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, 2017

	Water Fund	Sewer Fund	Gas Fund	Total
Reconciliation of operating income(loss) to net cash provided by operating activities				
Operating Income(Loss)	$ (20,758)	$ (18,718)	$ (110)	$ (39,586)
Adjustments to Reconcile Operating Income to Net Cash Provided(Used) by Operating Activities				
Depreciation	56,659	143,258	$ 8,292	208,209
Changes in Assets and Liabilities:				
(Increase) Decrease in accounts receivable	(9,857)	(16,212)	(18,209)	(44,278)
(Increase) Decrease in due from other funds	(4,705)	(1,098)	(696)	(6,499)
(Increase) Decrease in inventories	1,300	(3,540)	(3,915)	(6,155)
(Increase) Decrease in prepaid items	(610)	(4)	(601)	(1,215)
Increase (Decrease) in accounts payable	(405)	(2,144)	(4,767)	(7,316)
Increase (Decrease) in Net Pension Liability	(1,006)	(503)	(503)	(2,012)
Increase (Decrease) in employer's share benefits	606	618	2,012	3,236
Increase (Decrease) in salaries and wages payable	228	88	939	1,255
Increase (Decrease) in intergovernmental rec.	0	224	0	224
Increase (Decrease) in Due to other funds	10,266	0	327	10,593
Increase (Decrease) in customers' deposits	(665)	0	(450)	(1,115)
Increase (Decrease) in Deferred Inflows of Resources	1,712	856	856	3,424
(Increase) Decrease in Deferred Outflows of Resources	(531)	(265)	1,025	229
Total Adjustments	52,992	121,278	(15,690)	158,580
Net cash from by operating activities	$ 32,234	$ 102,560	$ (15,800)	$ 118,994

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, 2017

Assets		
Cash	$	18,270
Due from other Governmental Agencies		270
TOTAL ASSETS	$	18,540
Liabilities		
Due to other Governmental Agencies	$	18,540
TOTAL LIABILITIES	$	18,540

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.

Downtown Development Authority of the City of Ocilla-Created in 1982, the Downtown Development Auhority of the City of Ocilla serves to assist in the revitalization and redevelopment of the central business district of Ocilla by financing projects to promote trade, commerce, industry, and employment opportunities. The Downtown Development Authority Board consists of seven members, who are appointed by the City Council of the City of Ocilla, Georgia. The Authority meets the GASB 14 criteria for inclusion as a component unit. The financial statements of the component unit have been included as a discretely presented component unit. The year end of the component unit is June 30, 2017, which is the same year end as the City of Ocilla, Georgia. Financial information of the component unit is reported in a column separate from the City's financial information to emphasize that it is legally separate from the City.

South Central Drug Task Force-Created in 2002, the South Central Drug Task Force was organized to eliminate the use and influence of illicit drugs and in an attempt to reduce the incidence of violent crime in the jurisdictions of Ben Hill County, City of Fitzgerald, Irwin County and City of Ocilla. The Task Force unit is comprised of the Ben Hill County Sheriff's Office, the City of Fitzgerald Police Department, the Irwin County Sheriff's Office, and the City of Ocilla Police Department. The Task Force meets the GASB 14 criteria for inclusion as a component unit. The financial statements of the component unit have been included as a discretely presented component unit. The year end of the component unit is June 30, 2017, which is the same year as the City of Ocilla, Georgia. Financial information of the component unit is

reported in a column separate from the City's financial information to emphasize that is legally separate from the City.

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, 2017, the non-spendable fund balance is distributed as follows:

	Non-spendable Fund Balances
Prepaid Items	$ 39,320
Total	$ 39,320

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.

Capital Projects 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.

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

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, 2017, 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 September 16, 2016. The city clerk opened the books for the payment of taxes on September 20, 2016 and they remained open until January 20, 2017. 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, 2017 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 were three cost centers (General Government, the Judicial Cost Center, and the Culture/Recreation Cost Center) that had expenditures in excess of appropriations for the fiscal year ended June 30, 2017.

4. Summary of Deposit and Investment Balances:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position
Cash and Investments		
Unassigned	$ 1,388,985	$ 18,270
Restricted	229,411	0
Total	$ 1,618,396	$ 18,270

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, 2017 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	938,858	27,085	56,001	909,942
Total Capital Assets being Depreciated	1,222,430	27,085	56,001	1,193,514
Less Accumulated Depreciation:				
Buildings	128,656	5,518	0	134,174
Machinery and Equipment	607,507	45,407	54,133	598,781
Total Accumulated Depreciation	736,163	50,925	54,133	732,955
Net Capital Assets being Depreciated	486,267	(23,840)	(1,868)	460,559
Investment in capital assets:	$1,481,751	$ (23,840)	$ (1,868)	$1,456,043

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

General Government	$ 3,455
Public Safety	37,349
Public Works	10,121
Total	$ 50,925

	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	376,610	0	6,878,351
Machinery and Equipment	1,238,338	0	0	1,238,338
Total Capital Assets being Depreciated	7,897,931	376,610	0	8,274,541
Less Accumulated Depreciation:				
Buildings	104,745	3,240	0	107,985
Improvements	4,360,106	180,846	0	4,540,952
Machinery and Equipment	940,190	24,123	0	964,313
Total Accumulated Depreciation	5,405,041	208,209	0	5,613,250
Net Capital Assets being Depreciated	2,492,890	168,401	0	2,661,291
Investment in capital assets:	$2,803,639	$168,401	$ 0	$2,972,039

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, 2017, consist of the following for the fund balance:

	Major	General	Enterprise	Total
Taxes	$ 0	$ 40,151	$ 0	$ 40,151
Accounts	0	39,491	177,260	216,751
Due from other Govts	0	76,930	0	76,930
Notes	627,091	0	0	627,091
Internal Balances	0	(169)	169	0
Gross Receivables	$627,091	$156,403	$177,429	$ 960,923

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, 2017:

	Interfund Receivables	Interfund Payables	Net
General Fund-			
from Water Fund	10,266		
to water-4,705; to sewer-3,407; to gas-2,323	0	10,435	(169)
Enterprise Fund			
Gas Fund- from general-2,323	2,323	0	
Gas Fund- from sewer -20,224	20,224	0	
Sewer fund- to water-18,358	0	18,358	
Sewer fund- to gas-20,224	0	20,224	
Sewer fund- from general-3,407	3,407	0	
Water fund-from general-4,705	4,705	0	
Water fund- from sewer-18,358	18,358	0	
Water fund-to General Fund-10,266	0	10,266	169
Total	$ 59,283	$ 59,283	$ 0

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

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

	Water	Sewer	Total
Cash	$108,971	$118,243	$227,214

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

	General	Total
Cash	$ 2,197	$ 2,197

9. Debt

Long-Term Debt:

Note Payable to Georgia Environmental Finance Authority –(current note as of June 30, 2017 is in the Amount of $249,275.91; however by completion of project in December 2018, fully disbursed note amount will be $373,980. As such the repayment schedule is based on this amount)
Payable in monthly installments of $2,197.38 beginning on January 1, 2018 for a period of 180 months.
Loan Number DWSRF 16-001 to be used for Water meters replacement throughout the City.

Year Ending	Principal June 30	Interest Due	Total Requirement
2018	11,798	1,384	13,182
2019	23,729	2,635	26,364
2020	23,908	2,456	26,364
2021	24,088	2,276	26,364
2022	24,269	2,095	26,364
2023-2027	124,112	7,708	131,820
2028-2032	128,853	2,967	131,820
2033	13,224	29	13,253
Total	$373,980	$21,551	$395,531

Revenue Bonds:
Water and Sewer Revenue Bonds

The annual requirements to amortize all revenue bonds outstanding at June 30, 2017 are as follows:

	1998		2003		
Year Ending	Principal June 30	Interest Due	Principal June 30	Interest Due	Total Requirement
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	27,841	32,423	0	0	60,264
2023-2027	159,606	141,714	0	0	301,320
2028-2032	199,793	101,527	0	0	301,320
2033-2037	250,101	51,219	0	0	301,320
2038-2039	95,840	3,763	0	0	99,603
Total	$832,841	$472,041	$85,000	$6,500	$1,396,382

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, 2017, the Water and Sewer Sinking Fund for the Series 2003 Bonds contained $7,386 in the principal and interest account (Ordinance requires $7,418), Renewal and Extension account contained $54,280. The debt service reserve account contained $47,305 (Ordinance requires $47,250). Sinking Fund No. 2 Debt Service Reserve Account for the Series 1998 Bonds contained $85,633 (Ordinance requires $60,264). The Renewal and Extension account contains $32,610.

Changes in Long-Term Obligations:

The following is a summary of the City's governmental funds for the fiscal year ended June 30, 2017:

	Beginning Balance	Addition	Payment/ Retirements	Ending Balance	Due in One year
Post closure Care Cost	164,675	19,210	17,500	166,385	17,500
Compensated absences	23,910	19,342	17,933	25,319	18,989
Total	188,585	38,552	35,433	191,704	36,489

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, 2017:

	Beginning Balance	Addition	Payment/ Retirements	Ending Balance	Due in One year
Notes Payable	0	249,276	0	249,276	11,798
Bonds Payable	980,079	0	62,238	917,841	63,263
Total	1,041,297	249,276	61,218	1,167,117	75,061

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 9 inactive employees (3 beneficiaries) receiving benefits. There are 9 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, 2016 was $985,673. 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, 2016, the minimum funding requirement is $32,919, or 0.03% of covered payroll. This amount consists of (a) normal cost of $25,698, (b) amortization of the unfunded actuarial accrued liability of ($0), (c) interest of ($0), (d) administrative expense of $7,221, 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, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45%	6.75%
International Equity	20%	7.45%
Global Fixed Income	5%	3.30%
Domestic Fixed Income	20%	1.75%
Real Estate	10%	4.55%
Cash	0%	
Total	100%	

The mortality actuarial and economic assumptions used in the January 1, 2017 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 entry age normal 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) Net Pension Liability:

The table below details the changes in Net Pension liability. The numbers are based on a September 30, 2016 measurement date which would make them applicable to the Fiscal Year beginning July 1, 2016 and ending June 30, 2017:

Changes in the Net Pension Liability			
	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability
Balances at September 30, 2015	$ 1,634,263	$ 1,208,583	$ 425,680
Changes for the year:			
Service cost	17,769	0	17,769
Interest	122,303	0	122,303
Differences between expected & actual experience	16,195	0	16,195
Contributions – Employer	0	43,765	(43,765)
Net investment income	0	131,698	(131,698)
Benefit payments, including refunds of employee contributions	(112,332)	(112,332)	0
Administrative expense		(4,621)	4,621
Net changes	43,935	(58,510)	(14,575)
Balances at September 30, 2016	$ 1,678,198	$ 1,267,093	$ 411,105

(D) 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%)
	$616,327	$411,105	$239,091

(E) Pension Expense:

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

Pension expense for the year ended June 30, 2017	
Service Cost	$ 17,769
Interest on TPL	122,303
Administrative expenses	4,621
Expected return on assets	(90,829)
Expensed portion of current year period differences between expected and actual experience in TPL	2,700
Expensed portion of current year period differences between projected and actual investment earnings	(8,173)
Current year recognition of deferred inflows and outflows established in prior years	16,983
Total Expenses	$ 65,374

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

For the year ended June 30, 2017, the City of Ocilla recognized pension expense of $15,001. At June 30, 2017, 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	60,895	
Changes of Assumptions		8,670
Net difference between projected and actual earnings on pension plan investments		3,595
Total	60,895	12,265

City of Ocilla contributions subsequent to the measurement date of $37,371 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, 2018. 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
2018	$ 31,444	(19,936)
2019	31,444	(19,936)
2020	31,444	(11,064)
2021	10,709	(8,174)
2022	2,699	0
Thereafter	0	0

(G) 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.

(H) 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.

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 $12.75 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 $10.75 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 $4,576 to the RC for the year ended June 30, 2017. 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 $144,614 plus interest at 5.75% at June 30, 2017. 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, 2017 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 ($166,385) 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 2017 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 11 loans outstanding in the amount of $627,091. Three of the loans are current, while eight loans are not current. Three loans did not make 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	$ 53,553

19. Transfers

During the period ending June 30, 2017, an amount of $983 was transferred from the Capital Projects fund for a note payment in the Sewer Fund.

Purchase	Amount
Note Repayment	$ 983
Total	$ 983

20. Budget overage

The expenses in the General Government cost were over budget by a total of $1,559. The overage was due to retirement expenses were not adequately budgeted for. Retirement expenses were over budget by $7,948.

The expenses in the Judicial cost center were over budget by a total of $2,974. The overage was due to the expenses related to fine and forfeiture fees that were over budget by $3,967. These fees were not adequately budgeted for in the City's budget.

The expenses in the Culture and recreation cost center were over budget by a total of $10,966. The overage was due to the fact that fencing for College Hill Park was not adequately budgeted for. The budget was not amended.

21. Subsequent Events

In preparing these financial statements, the City of Ocilla has evaluated events and transactions for potential recognition or disclosure through January 24, 2018, the date when the financial statements were available to be issued.

22. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Accordingly, actual results could differ from those estimates.

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, 2017

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Advalorem taxes	$ 728,712	$ 784,256	$ 773,339	$ (10,917)
Mobile home and motor vehicle	147,000	126,360	100,988	(25,372)
Intangible tax	6,000	2,000	1,199	(801)
Real estate transfer tax	3,000	1,000	3,682	2,682
Franchise taxes	180,000	187,000	184,143	(2,857)
Local option sales and use taxes	285,000	270,000	241,721	(28,279)
Alcoholic beverage excise taxes	56,500	62,600	58,806	(3,794)
Insurance premium taxes	190,000	212,333	212,333	0
Penalties and interest on taxes	30,000	12,000	8,364	(3,636)
Business licenses	47,000	49,000	47,771	(1,229)
Regulatory fees-building structures and equipment	1,000	1,000	205	(795)
Payment in lieu of taxes	17,068	23,781	23,781	0
Charges for services-sanitation	280,000	281,000	256,220	(24,780)
Charges for services-cemetery	8,000	6,700	6,520	(180)
Charges for services-bad check fees	1,000	1,000	190	(810)
Fines and forfeitures	82,000	79,144	101,736	22,592
Interest revenue	1,000	1,000	1,914	914
Nutrition reimbursement	35,000	31,000	30,061	(939)
Miscellaneous revenue	22,000	38,000	35,164	(2,836)
Rents and royalties	16,000	15,000	16,814	1,814
Total Revenues	2,136,280	2,184,174	2,104,951	(79,223)
Expenditures:				
General government	409,507	407,932	409,491	1,559
Judicial	25,600	34,600	37,574	2,974
Public safety	1,032,074	1,103,837	1,074,464	(29,373)
Public works	555,034	476,545	438,779	(37,766)
Health/ welfare	66,605	93,567	71,957	(21,610)
Culture/ recreation	26,200	31,845	42,811	10,966
Economic development	21,260	32,848	32,848	0
Total Expenditures	2,136,280	2,181,174	2,107,924	(73,250)
Excess of Revenues Over(Under) Expenditures	0	3,000	(2,973)	(5,973)

(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, 2017

	Budget			
	Original	Final	Actual	Variance
Other Financing Sources (Uses)				
Sale of general fixed assets	$ 0	$ 0	$ 1,950	$ 1,950
Total Other Financing Sources	0	0	1,950	1,950
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	$ 0	$ 3,000	$ (1,023)	$ (4,023)
Fund Balance - beginning of year			$ 211,303	
FUND BALANCE - end of year			$ 210,280	

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

SUPPLEMENTARY INFORMATION

CITY OF OCILLA
BALANCE SHEET
GENERAL FUND
JUNE 30, 2017

Assets

Cash	$ 121,537	
Taxes receivable	58,151	
Tax deeds	0	
Accounts receivable		
(Net of allowance for uncollectible of $1,000)	39,491	
Due from other governments	76,930	
Due from other funds	14,773	
Restricted asset	2,197	
Prepaid items	35,058	
TOTAL ASSETS		$ 348,137

Liabilities, Deferred Inflows of Resources and Fund Balances

Liabilities:		
Accounts payable	$ 33,723	
Salaries and wages payable	28,194	
Payroll deductions payable	5,043	
Tax escrow liability	2,132	
Due to other Governmental Agencies	270	
Due to other funds	14,942	
Total Liabilities		84,304
Deferred Inflows of Resources:		53,553
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		137,857
Fund Balances:		
Fund balance - unassigned	175,097	
Restricted - General Government	125	
Nonspendable fund balance	35,058	
Total Fund Balances		210,280
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		$ 348,137

CITY OF OCILLA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budget			
	Original	Final	Actual	Variance
General Government:				
Legislative -				
Personal services-salaries and wages	$ 32,400	$ 32,400	$ 32,400	$ 0
Travel	8,000	15,000	17,878	2,878
Executive -				
Personal services-salaries and wages	98,825	73,755	87,253	13,498
General administration -				
Personal services-salaries and wages	25,668	28,943	24,943	(4,000)
Group insurance	14,026	17,282	14,766	(2,516)
Social security and medicare contributions	14,469	12,719	12,586	(133)
Retirement contributions	35,000	35,000	42,948	7,948
Workers' compensation	45,544	45,544	40,283	(5,261)
Professional services	31,200	38,200	32,324	(5,876)
Technical services	10,275	7,000	7,097	97
Repairs and maintenance	2,000	2,500	1,996	(504)
Postage	1,500	1,600	1,140	(460)
Insurance, other than employee benefits	10,000	10,000	7,787	(2,213)
Communications	8,800	11,000	12,488	1,488
Travel	2,000	3,000	2,134	(866)
Dues and fees	10,800	9,800	8,550	(1,250)
General supplies and materials	34,000	41,189	44,286	3,097
Utilities	9,000	8,000	5,987	(2,013)
Payments to other agencies	14,000	14,000	12,166	(1,834)
Debt service - interest	2,000	1,000	479	(521)
Total general government	409,507	407,932	409,491	1,559
Judicial:				
Personal services-salaries and wages	6,600	6,600	6,600	0
Fines and forfeitures addon fees	15,000	24,000	27,967	3,967
Travel and Training	2,000	2,000	1,788	(212)
General supplies and materials	2,000	2,000	1,219	(781)
Total judicial	25,600	34,600	37,574	2,974

(Continued on next page)

CITY OF OCILLA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budget			
	Original	Final	Actual	Variance
Public Safety:				
Police -				
Personal services-salaries and wages	$ 515,500	$ 547,500	$ 560,274	$ 12,774
Group Insurance	91,168	81,268	71,094	(10,174)
Social security and medicare contributions	39,500	41,884	40,512	(1,372)
Repairs and maintenance	16,900	29,000	25,136	(3,864)
Utilities	10,000	10,000	7,162	(2,838)
Rentals - uniforms	5,000	6,000	6,859	859
Communications	10,000	11,000	11,600	600
Travel	8,000	10,000	12,043	2,043
General supplies and materials	25,500	44,000	46,409	2,409
Gas and oil	37,000	30,000	25,152	(4,848)
Insurance, other than employee benefits	12,000	12,000	11,187	(813)
Capital outlays	0	30,000	27,085	(2,915)
Matches for grants	12,900	12,900	12,879	(21)
Custody of prisoners	4,000	1,000	48	(952)
Total police	787,468	866,552	857,440	(9,112)
Fire -				
Personal services-salaries and wages	162,162	160,000	155,442	(4,558)
Group Insurance	21,039	18,845	17,133	(1,712)
Social security and medicare contributions	12,405	12,240	11,360	(880)
Repairs and maintenance	11,000	11,000	13,449	2,449
Rentals - uniforms	5,000	4,000	1,385	(2,615)
Communications	6,000	5,000	4,134	(866)
Travel	5,000	4,000	1,508	(2,492)
Utilities	4,000	4,200	4,187	(13)
Insurance, other than employee benefits	4,000	4,000	2,361	(1,639)
General supplies and materials	9,000	10,000	3,867	(6,133)
Gas and oil	5,000	4,000	2,198	(1,802)
Total fire	244,606	237,285	217,024	(20,261)
Total public safety	1,032,074	1,103,837	1,074,464	(29,373)

(Continued on next page)

CITY OF OCILLA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budget			
	Original	Final	Actual	Variance
Public Works:				
Highways and streets -				
Personal services-salaries and wages	$ 153,956	$ 107,000	$ 102,688	$ (4,312)
Group Insurance	42,078	18,845	15,808	(3,037)
Social security and medicare contributions	11,778	8,200	7,250	(950)
Repairs and maintenance-equipment	5,000	7,500	7,360	(140)
Repairs and maintenance-vehicle	7,000	10,000	10,668	668
Rentals - uniforms	5,100	6,000	4,651	(1,349)
Education and training	1,500	1,500	993	(507)
General supplies and materials	13,000	19,500	15,433	(4,067)
Gas and oil	14,000	13,500	7,566	(5,934)
Utilities	4,922	3,000	1,767	(1,233)
Insurance, other than employee benefits	6,700	6,700	3,791	(2,909)
Street repair and maintenance	20,000	20,000	15,096	(4,904)
Street lighting	90,000	89,800	89,141	(659)
Total highways and streets	375,034	311,545	282,212	(29,333)
Solid waste and recycling -				
Disposal	180,000	165,000	156,567	(8,433)
Total solid waste and recycling	180,000	165,000	156,567	(8,433)
Total public works	555,034	476,545	438,779	(37,766)
Health/ Welfare				
Neighborhood center				
Operating expenditures	12,000	40,000	29,033	(10,967)
Nutrition				
Personal services-salaries and wages	24,605	21,567	21,273	(294)
Operating expenditures	30,000	32,000	21,651	(10,349)
Total health/ welfare	66,605	93,567	71,957	(21,610)

(Continued on next page)

CITY OF OCILLA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budget			
	Original	Final	Actual	Variance
Culture/ Recreation:				
Other recreational facilities	$ 21,200	$ 24,800	$ 28,110	$ 3,310
Parks	5,000	7,045	14,701	7,656
Total culture/ recreation	26,200	31,845	42,811	10,966
Economic Development:				
Joint Development Authority	21,260	32,848	32,848	0
Total Economic Development	21,260	32,848	32,848	0
Total Expenditures	$ 2,136,280	$ 2,181,174	$ 2,107,924	$ (73,250)

CITY OF OCILLA
SCHEDULE OF COMPONENT UNITS
STATEMENT OF NET POSITION
JUNE 30, 2017

	Downtown Development Authority of the City of Ocilla	South Central Drug Task Force	Total
Assets			
Cash In bank	$ 7,045	$ 51,298	$ 58,343
Grant receivable	0	22,258	22,258
Due from Other Governments	0	14,248	14,248
TOTAL ASSETS	7,045	87,804	94,849
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	0	32,430	32,430
Total Liabilities	0	32,430	32,430
Fund Balance:			
Restricted	7,045	55,374	62,419
TOTAL LIABILITIES AND FUND BALANCE	$ 7,045	$ 87,804	$ 94,849

CITY OF OCILLA
SCHEDULE OF COMPONENT UNITS
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	Downtown Development Authority of the City of Ocilla	South Central Drug Task Force	Total
Revenues			
Federal grant	$ 0	$ 55,147	$ 55,147
Intergovernmental revenue	0	45,662	45,662
Confiscated cash and property	0	2,445	2,445
Total Revenues	0	103,254	103,254
Expenditures			
Administration	197	15,596	15,793
Public safety	0	90,262	90,262
Economic development	362	0	362
Culture/ recreation	1,997	0	1,997
Total Expenditures	2,556	105,858	108,414
Excess (Deficiency) of Revenues Over Expenditures	(2,556)	(2,604)	(5,160)
Net Change in Fund Balance	(2,556)	(2,604)	(5,160)
Fund Balance - beginning of year	9,601	57,978	67,579
Fund Balance - end of year	$ 7,045	$ 55,374	$ 62,419

CITY OF OCILLA
BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Police Investigation Fund	Total
ASSETS		
Cash In bank	$ 4,664	$ 4,664
TOTAL ASSETS	4,664	4,664
FUND BALANCE		
Fund Balance:		
Restricted	4,664	4,664
Total Fund Balance	4,664	4,664
TOTAL LIABILITIES AND FUND BALANCE	$ 4,664	$ 4,664

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Program Activity	Police Investigation Fund	2011 CDBG Grant 5400	TE Grant	Total
Revenue				
Federal grant	$ 0	$ 0	$ 20	$ 20
Interest income	2	0	0	2
Total Revenues	2	0	20	22
Expenditures				
General supplies	0	13	0	13
Bank fees	0	0	20	20
Total Expenditures	0	13	20	33
Excess (Deficiency) of Revenues Over Expenditures	2	(13)	0	(11)
Fund Balance - beginning of year	4,662	13	0	4,675
Fund Balance - end of year	$ 4,664	$ 0	$ 0	$ 4,664

CITY OF OCILLA
STATEMENT OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Program Activity	Police Investigation Fund Budget	Police Investigation Fund Actual	Variance	2011 CDBG Grant 5400	HPP Grant Fund Actual	Variance
Revenue						
Federal grant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Interest income	2	2	0	0	0	$ 0
Total Revenues	2	2	0	0	0	0
Expenditures						
General supplies	0	0	0	13	13	0
Energy	0	0	0	0	0	0
Garbage	0	0	0	0	0	0
Criminal investigation	0	0	0	0	0	0
Street improvement	0	0	0	0	0	0
Total Expenditures	0	0	0	13	13	0
Excess (Deficiency) of Revenues Over Expenditures	2	2	0	(13)	(13)	0

CITY OF OCILLA
STATEMENT OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Program Activity	TE Grant Budget	TE Grant Actual	Variance
Revenue			
Federal grant	$ 20	$ 20	$ 0
Total Revenues	20	20	0
Expenditures			
Bank fees	20	20	0
Total Expenditures	20	20	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	0

CITY OF OCILLA
STATEMENT OF NET POSITION
WATER FUND
JUNE 30, 2017

Assets

Current Assets:	
Cash	$ 204,736
Accounts receivable, net	57,069
Inventories-materials and supplies	19,009
Due from other funds	23,063
Prepaid items	2,264
Total Current Assets	306,141
Restricted Assets:	
Cash	108,971
Capital Assets:	
Sites	310,748
Buildings	132,892
Machinery and equipment	388,252
Water and sewer system	3,413,546
	4,245,438
Less accumulated depreciation	(2,704,762)
Total Capital Assets	1,540,676
Deferred Outflows of Resources	6,152
Total Assets and Deferred Outflows of Resources	$1,961,940

CITY OF OCILLA
STATEMENT OF NET POSITION
WATER FUND
JUNE 30, 2017

Liabilities	
Current Liabilities:	
Accounts payable	$ 7,489
Salaries and wages payable	1,557
Employee benefits	3,066
Due to other funds	10,266
Notes Payable - current	11,798
Bonds payable-current	40,000
Consumers' deposits payable	58,172
Total Current Liabilities	132,348
Non-current Liabilities:	
Notes payable-non-current	237,478
Bonds payable-non-current	45,000
Net Pension Liability	14,017
Total noncurrent liabilities	296,495
Total Liabilities	428,843
Deferred Inflows of Resources	2,999
Net Position	
Net Investment in Capital Assets	1,206,400
Restricted	108,971
Unrestricted	214,727
Total Net Position	1,530,098
Total Liabilities,Deferred Inflows of Resources, and Net Position	$1,961,940

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2017

Operating Revenues		
Water charges	$	336,804
Other		24,827
Total Operating Revenues		361,631
Operating Expenses:		
Personal services-salaries and wages		73,141
Group insurance		9,017
Social security and medicare contributions		5,222
Retirement contributions		3,615
Workers' compensation		2,253
Professional services		50,618
Repairs and maintenance of system		10,621
Repairs and maintenance		42,635
Rental of uniforms		2,022
Insurance, other than employee benefits		12,901
Communications		5,501
Travel		2,020
Dues		350
Chemicals		31,231
General supplies and materials		22,083
Energy		42,234
Miscellaneous		10,266
Total Operating Expenses		325,730
Operating Income(Loss) Before Depreciation		35,901
Depreciation		56,659
Operating Income (Loss)		(20,758)

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2017

Other Financing Sources	
Grant - GEFA Water Meter	$ 166,184
Non-Operating Revenues (Expenses)	
Interest revenues	331
Interest expense	(6,620)
Fiscal agent's fee	(1,250)
Total Non-Operating Revenues (Expenses)	(7,539)
Change in Net Position	$ 137,887
Total net position - beginning of year	$ 1,392,211
Total net position - end of year	$ 1,530,098

CITY OF OCILLA
STATEMENT OF CASH FLOWS
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2017

Cash Flows from Operating Activities	
Cash received from customers	$ 356,670
Cash payments for goods and services	(251,123)
Cash payments to employees	(73,313)
Net cash from operating activities	32,234
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(376,610)
Principal paid on revenue bonds and notes	(40,000)
Interest paid	(6,620)
Proceeds from note	415,460
Payment of agent fees	(1,250)
Net cash from capital and financing activities	(9,020)
Cash Flows from Investing Activities	
Interest on investments	331
Net cash from investing activities	331
Net change in cash and cash equivalents	$ 23,545
Cash and cash equivalents - beginning of year	$ 290,162
Cash and cash equivalents - end of year	$ 313,707

CITY OF OCILLA
STATEMENT OF CASH FLOWS
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2017

Reconciliation of operating income (loss) to Net cash provided by operating activities	
Operating Loss	$ (20,758)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	56,659
Changes in Assets and Liabilities:	
(Increase) Decrease in accounts receivable	(9,857)
(Increase) Decrease in inventories	1,300
(Increase) Decrease in Due from other Funds	(4,705)
(Increase) Decrease in prepaid items	(610)
Increase (Decrease) in accounts payable	(405)
Increase (Decrease) in net pension liability	(1,006)
Increase (Decrease) in employer's share benefits	606
Increase (Decrease) in salaries and wages payable	228
Increase (Decrease) in Due to other Funds	10,266
Increase (Decrease) in customers' deposits	(665)
Increase (Decrease) in Deferred Inflows of Resources	1,712
(Increase) Decrease in Deferred Outflows of Resources	(531)
Net cash flows from operating activities	$ 32,234

CITY OF OCILLA
STATEMENT OF NET POSITION
SEWER FUND
JUNE 30, 2017

Assets

Current Assets:	
Cash	$ 124,636
Accounts receivable, net	63,361
Due from other funds	3,407
Inventory	29,333
Prepaid items	217
Total Current Assets	220,954
Restricted Assets:	
Cash	118,243
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	(2,540,527)
Total Capital Assets	1,362,611
Deferred Outflows of Resources	5,886
Total Assets and Deferred Outflows of Resources	$ 1,707,694

CITY OF OCILLA
STATEMENT OF NET POSITION
SEWER FUND
JUNE 30, 2017

Liabilities	
Current Liabilities:	
Accounts payable	$ 2,784
Salaries and wages payable	704
Payroll deductions payable	350
Employee benefits	1,686
Due to other funds	38,582
Bonds payable - current	23,263
Total Current Liabilities	67,369
Non-current Liabilities:	
Bonds payable - non-current	809,578
Net Pension Liability	14,520
Total Noncurrent Liabilities	824,098
Total Liabilities	891,467
Deferred Inflows of Resources	2,143
Net Position	
Net Investment in Capital Assets	529,770
Restricted	118,243
Unrestricted	166,071
Total Net Position	814,084
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 1,707,694

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2017

Operating Revenues		
Sewer charges	$	307,054
Other		2,300
Total Operating Revenues		309,354
Operating Expenses		
Personal services - salaries and wages		19,303
Group insurance		1,210
Social security and medicare contributions		1,317
Retirement contributions		1,808
Workers' compensation		430
Professional services		5,000
Repairs and maintenance of system		6,276
Technical		11,156
Chemicals		36,468
Repairs and maintenance		36,954
Rental of uniforms		1,947
Insurance, other than employee benefits		5,367
General supplies and materials		5,510
Energy		52,003
Other supplies		65
Total Operating Expenses		184,814
Operating Income(Loss) Before Depreciation		124,540
Depreciation		143,258
Operating Income (Loss)		(18,718)

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CITY OF OCILLA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2017

Non-Operating Revenues (Expenses)	
Interest revenues	$ 123
Interest expense	(38,026)
Total Non-Operating Revenues (Expenses)	(37,903)
Loss before transfers	(56,621)
Transfers	
Transfer in from SPLOST	983
Total Transfers	983
Change in Net Position	$ (55,638)
Total net position - beginning of year	$ 869,722
Total net position - end of year	$ 814,084

CITY OF OCILLA
STATEMENT OF CASH FLOWS
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2017

Cash Flows from Operating Activities	
Cash received from customers	$ 292,268
Cash payments for goods and services	(170,608)
Cash payments to employees	(19,100)
Net cash from operating activities	102,560
Cash Flows from Capital and Related Financing Activities	
Operating Transfer in from SPLOST	983
Principal paid on revenue bonds and notes	(22,238)
Interest paid	(38,026)
Net cash from capital and financing activities	(59,281)
Cash Flows from Investing Activities	
Interest on investments	123
Net cash from investing activities	123
Net change in cash and cash equivalents	$ 43,402
Cash and cash equivalents - beginning of year	$ 199,477
Cash and cash equivalents - end of year	$ 242,879

CITY OF OCILLA
STATEMENT OF CASH FLOWS
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2017

Reconciliation of operating income (loss) to net cash provided by operating activities	
Operating income (loss)	$ (18,718)
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	(16,212)
(Increase) Decrease in Due from Other Funds	(1,098)
(Increase) Decrease in Inventories	(3,540)
(Increase) Decrease in prepaid items	(4)
Increase (Decrease) in accounts payable	(2,144)
Increase (Decrease) in net pension liability	(503)
Increase (Decrease) in employer's share benefits	618
Increase (Decrease) in Due to Other Funds	224
Increase (Decrease) in salaries and wages payable	88
Increase (Decrease) in Deferred Inflows of Resources	856
(Increase) Decrease in Deferred Outflows of Resources	(265)
Net cash flows from operating activities	$ 102,560

CITY OF OCILLA
STATEMENT OF NET POSITION
GAS FUND
JUNE 30, 2017

Assets

Current Assets:	
Cash	$243,145
Accounts receivable, net	56,830
Due from other funds	22,547
Inventories-gas and supplies	8,165
Prepaid items	1,781
Total Current Assets	332,468
Capital Assets:	
Machinery and equipment	42,937
Natural gas system	393,776
	436,713
Less accumulated depreciation	(367,961)
Total Capital Assets	68,752
Deferred Outflows of Resources	4,596
Total Assets and Deferred Outflows of Resources	$405,816

CITY OF OCILLA
STATEMENT OF NET POSITION
GAS FUND
JUNE 30, 2017

Liabilities	
Current Liabilities:	
Accounts payable	$ 6,121
Salaries and wages payable	2,582
Employee benefits	4,359
Accrued Sales Tax	903
Consumers' deposits payable	10,912
Total Current Liabilities	24,877
Noncurrent Liabilities	
Net Pension Liability	14,520
Deferred Inflows of Resources	2,143
Net Position	
Net Investment in Capital Assets	68,752
Unrestricted	295,524
Total Net Position	364,276
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 405,816

CITY OF OCILLA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
GAS FUND
FOR THE YEAR ENDED JUNE 30, 2017

Operating Revenues	
Gas charges	$334,346
Total Operating Revenues	334,346
Operating Expenses	
Personal services-salaries and wages	75,510
Group insurance	6,528
Social security and medicare contributions	5,318
Retirement contributions	1,808
Workers' compensation	1,296
Professional services	42,682
Technical services	6,273
Repairs and maintenance	11,500
Rental of uniforms	1,527
Insurance, other than employee benefits	5,367
Travel	2,490
General supplies and materials	41,831
Energy	2,753
Inventory purchased for resale	121,281
Total Operating Expenses	326,164
Operating Income (Loss) Before Depreciation	8,182
Depreciation	8,292
Operating Income (Loss)	(110)
Change in Net Position	$ (110)
Total Net Position - beginning of year	$364,386
Total Net Position - end of year	$364,276

CITY OF OCILLA
STATEMENT OF CASH FLOWS
GAS FUND
FOR THE YEAR ENDED JUNE 30, 2017

Cash Flows from Operating Activities	
Cash received from customers	$ 314,991
Cash payments for goods and services	(257,729)
Cash payments to employees	(73,062)
Net cash from operating activities	(15,800)
Net change in cash and cash equivalents	$ (15,800)
Cash and cash equivalents - beginning of year	$ 258,945
Cash and cash equivalents - end of year	$ 243,145

CITY OF OCILLA
STATEMENT OF CASH FLOWS
GAS FUND
FOR THE YEAR ENDED JUNE 30, 2017

Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	$	(110)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Noncash items included in operating income		
Depreciation		8,292
Changes in Assets and Liabilities:		
(Increase) Decrease in accounts receivable		(18,209)
(Increase) Decrease in due from other funds		(696)
(Increase) Decrease in inventories		(3,915)
(Increase) Decrease in prepaid items		(601)
Increase (Decrease) in accounts payable		(4,767)
Increase (Decrease) in net pension liability		(503)
Increase (Decrease) in employer's share benefits		2,012
Increase (Decrease) in salaries and wages payable		939
Increase (Decrease) in sales tax payable		327
Increase (Decrease) in customer deposits payable		(450)
Increase (Decrease) in Deferred Inflows of Resources		856
(Increase) Decrease in Deferred Outflows of Resources		1,025
Net cash flows from operating activities	$	(15,800)

CITY OF OCILLA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2017

Additions:		
Tax Collections	$	45,117
Total Additions		45,117
Deductions:		
Disbursement to Development Authority		36,052
Total Deductions		36,052
Change in Due to other Governmental Agencies	$	9,065
Due to other Governmental Agencies - beginning of year	$	9,475
Due to other Governmental Agencies - end of year	$	18,540

CITY OF OCILLA
SCHEDULE OF PROJECTS USING SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2017

Project	Original Estimated Cost	Revised Estimated Cost	SPLOST Expenditures Prior Years	SPLOST Expenditures Current Year	SPLOST Expenditures Total	Estimated Percentage Completed	Additional Expenditures*	Total Current Year Expenses
SPLOST 4								
a) Administration	$ 80,000	$ 0	$ 0	$ 0	$ 0	0%	$ 0	$ 0
b) Utilities-pump station	250,000	250,000	38,750	983	39,733	16%	0	983
c) Rolling stock-police	100,000	25,000	24,503	0	24,503	98%	0	0
d) Street project	290,000	290,000	226,063	100,370	326,433	113%	91,183	191,553
e) Fire Station	100,000	190,000	0	0	0	0%	0	0
f) Rolling stock-fire	50,000	115,000	21,569	0	21,569	19%	0	0
g) Landfill/Sanitation project	135,000	135,000	53,734	21,834	75,568	56%	0	21,834
h) Rolling stock-street	30,000	30,000	19,924	0	19,924	66%	0	0
TOTAL	$ 1,035,000	$ 1,035,000	$ 384,543	$ 123,187	$ 507,730	49%	$ 91,183	$ 214,370

*Additional expenditures were made out of the Capital Projects that were not SPLOST expenditures. These expenditures are the results of Grant funds that were deposited into the SPLOST bank account. As a result of the expenditure being paid from the SPLOST account, the expenditures must be recognized, however these are not SPLOST expenditures for terms of the SPLOST referendum or SPLOST budget.

CITY OF OCILLA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

FINANCIAL STATEMENT FINDINGS

2017-1 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.

2017-2 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.

2017-3 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, 2017

2017-4 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.

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, 2017, 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 January 24, 2018.

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
January 24, 2018