CITY OF OCILLA, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ocilla, Georgia as of and for the year ended June 30, 2018, 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.

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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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ocilla, Georgia, as of June 30, 2018, 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 39-40 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 41-65, are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the City of Ocilla, Georgia.

The statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements and schedules presented as Supplementary Information and the Schedule of Projects Constructed with Special Sales Tax Proceeds, as required by the Official Code of Georgia Annotated Section, 48-8-121, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 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.
Tifton, GA
December 18, 2018

CITY OF OCILLA, GEORGIA
Statement of Net Position
June 30, 2018

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash	$ 283,738	$ 645,672	$ 929,410	$ 86,866
Taxes receivable - (Net of allowance for uncollectibles 18,000)	55,810	0	55,810	0
Accounts receivable - (Net of allowance for uncollectibles)	29,402	132,489	161,891	0
Due from other governments	170,710	0	170,710	0
Notes receivable	981,150	0	981,150	0
Internal balances	406	(406)	0	0
Inventories-material and supplies	0	58,111	58,111	0
Prepaid items	32,867	5,218	38,085	0
Grant receivable	31,458	0	31,458	72,545
Restricted assets - Cash	4,021	363,993	368,014	0
Non-Depreciable Items	310,748	310,748	621,496	0
Capital assets - net	1,485,502	2,675,345	4,160,847	0
TOTAL ASSETS	3,385,812	4,191,170	7,576,982	159,411
DEFERRED OUTFLOWS OF RESOURCES	87,134	11,817	98,951	0
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 3,472,946	$ 4,202,987	$ 7,675,933	$ 159,411

The accompanying notes are an integral part of this statement.

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
LIABILITIES				
Accounts payable	$ 28,962	$ 25,202	$ 54,164	$ 115,211
Salaries and wages payable	30,643	5,993	36,636	0
Payroll Deductions payable	111	0	111	0
Employee benefits	0	10,029	10,029	0
Operating loan	200,000	0	0	0
Due to other Governmental Agencies	227	957	1,184	0
Compensated absences - current	20,896	0	20,896	0
Notes payable-current	24,311	26,868	51,179	0
Bonds payable-current	0	69,331	69,331	0
Landfill postclosure costs - current	19,023	0	19,023	0
Notes payable - non-current	280,045	349,026	629,071	0
Bonds payable - non-current	0	785,238	785,238	0
Net pension liability	327,775	31,565	359,340	0
Tax escrow liability	2,132	0	2,132	0
Compensated absences - noncurrent	6,965	0	6,965	0
Landfill postclosure costs noncurrent	128,712	0	128,712	0
Consumers' deposits payable	0	67,629	67,629	0
TOTAL LIABILITIES	1,069,802	1,371,838	2,441,640	115,211
DEFERRED INFLOWS OF RESOURCES	62,423	17,261	$ 79,684	0
NET POSITION				
Net investment in capital assets	$ 1,491,894	$ 1,755,630	$ 3,247,524	$ 0
Restricted for:				
General Government	4,021	0	4,021	0
Debt Retirement	0	363,993	363,993	0
Economic Development	1,114,461	0	1,114,461	0
Public Safety	4,666	0	4,666	0
Unrestricted	(274,321)	694,265	419,944	44,200
TOTAL NET POSITION	$ 2,340,721	$ 2,813,888	$ 5,154,609	$ 44,200

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Statement Activities and Changes in Net Position
Year Ended June 30, 2018

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	$ 429,622	$ 45,800	$ 0	$ 0
Judicial	29,997	0	0	0
Public safety	1,109,110	105,975	0	0
Public works	748,656	253,977	0	136,929
Health/Welfare	59,946	29,027	0	0
Culture/ recreation	37,001	0	0	0
Economic development	98,062	0	0	0
Interest on long term debt	0	0	0	0
Total Governmental Activities	2,512,394	434,779	0	136,929
Business-Type Activities:				
Water	381,594	378,300	0	0
Sewer	380,040	285,695	0	0
Gas	330,680	428,949	0	0
Total Business-Type Activities	1,092,314	1,092,944	0	0
Total Primary Government	$ 3,604,708	$ 1,527,723	$ 0	$ 136,929
Component Units				
Downtown Development Authority	$ 9,810	$ 0	$ 14,000	$ 0
South Central Drug Task Force	241,983	0	193,916	0
Total Component Units	$ 251,793	$ 0	$ 207,916	$ 0
General Revenues:				
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				
CHANGE IN NET POSITION				
Net Position - beginning of year				
NET POSITION - end of year				

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (383,822)	$ 0	$ (383,822)	$ 0
(29,997)	0	(29,997)	0
(1,003,135)	0	(1,003,135)	0
(357,750)	0	(357,750)	0
(30,919)	0	(30,919)	0
(37,001)	0	(37,001)	0
(98,062)	0	(98,062)	0
0	0	0	0
(1,940,686)	0	(1,940,686)	0
0	(3,294)	(3,294)	0
0	(94,345)	(94,345)	0
0	98,269	98,269	0
0	630	630	0
(1,940,686)	630	(1,940,056)	0
			4,190
			(48,067)
			(43,877)
898,332	0	898,332	0
2,000	0	2,000	0
173,504	0	173,504	0
226,498	0	226,498	0
53,205	0	53,205	0
225,701	0	225,701	0
9,724	0	9,724	0
3,675	0	3,675	0
5,000	103,803	108,803	13,500
15,583	997	16,580	0
92,437	0	92,437	12,158
1,705,659	104,800	1,810,459	25,658
(235,027)	105,430	(129,597)	(18,219)
2,575,748	2,708,458	5,284,206	62,419
$ 2,340,721	$ 2,813,888	$ 5,154,609	$ 44,200

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Capital Projects Fund	CDBG Revolving Loan Fund	Other Governmental Funds	Total
ASSETS					
Cash	$ 213,506	$ 41,156	$ 24,410	$ 4,666	$ 283,738
Taxes receivable	73,810	0		0	73,810
Accounts receivable - (Net of allowance for uncollectible)	29,402	0	0	0	29,402
Due from other governments	160,033	10,677	0	0	170,710
Loans receivable	0	0	981,150	0	981,150
Due from other funds	406	25,610	0	0	26,016
Prepaid items	32,867	0	0	0	32,867
Grant receivable	0	31,458	0	0	31,458
Restricted assets - Cash	4,021	0	0	0	4,021
TOTAL ASSETS	$ 514,045	$ 108,901	$ 1,005,560	$ 4,666	$ 1,633,172

The accompanying notes are an integral part of this statement.

	General Fund	Capital Projects Fund	CDBG Revolving Loan Fund	Other Governmental Funds	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	$ 28,962	$ 0	$ 0	$ 0	$ 28,962
Salaries and wages payable	30,643	0	0	0	30,643
Payroll deductions payable	111	0	0	0	111
Operating loan	200,000	0	0	0	200,000
Due to other Governmental Agencies	227	0	0	0	227
Due to other funds	25,610	0	0	0	25,610
Tax escrow liability	2,132	0	0	0	2,132
Total Liabilities	287,685	0	0	0	287,685
Deferred Inflows of Resources	51,188	0		0	51,188
Fund Balances					
Unassigned	138,284	0	0	0	138,284
Nonspendable Fund Balance	32,867	0		0	32,867
Restricted:					
General Government	4,021	0	0	0	4,021
Public safety	0	0	0	4,666	4,666
Economic development	0	108,901	1,005,560	0	1,114,461
Total Fund Balances	175,172	108,901	1,005,560	4,666	1,294,299
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 514,045	$ 108,901	$ 1,005,560	$ 4,666	$ 1,633,172

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2018

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		$1,294,299
Amounts reported for governmental activities in the 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.		1,796,250
Certain tax revenues are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the governmental funds.		
Deferred revenue	$ 51,188	
Reserve for bad debt	(18,000)	33,188
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Compensated absences		(27,861)
Note payable		(304,356)
Landfill postclosure cost		(147,735)
Beginning proportionate share of pension liability	$ (368,048)	
Proportionate share of pension liability decreased in current fiscal year	40,273	
Deferred inflow of resources	(62,423)	
Deferred outflow of resources	87,134	(303,064)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES		$2,340,721

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

	General Fund	Capital Projects Fund	CDBG Revolving Loan Fund	Other Governmental Funds	Total
REVENUES					
Taxes	$ 1,581,605	$ 0	$ 0	$ 0	$ 1,581,605
Licenses and permits	45,800	0	0	0	45,800
Penalties and interest on taxes	9,724	0	0	0	9,724
Intergovernmental revenues	0	136,929	0	5,000	141,929
Charges for services	253,977	0	0	0	253,977
Fines and forfeitures	105,975	0	0	0	105,975
Reimbursement	29,027	0	0	0	29,027
Interest income	143	0	15,438	2	15,583
Other income	60,979	31,458	0	0	92,437
Total Revenues	2,087,230	168,387	15,438	5,002	2,276,057
EXPENDITURES					
Current:					
General government	429,002	0	0	0	429,002
Judicial	29,997	0	0	0	29,997
Public safety	1,089,294	0	0	5,000	1,094,294
Public works	377,969	340,242	0	0	718,211
Health/ welfare	59,946	0	0	0	59,946
Culture/ recreation	36,790	0	0	0	36,790
Economic development	35,632	18,650	43,780	0	98,062
Capital Outlay	371,739	19,000	0	0	390,739
Total Expenditures	2,430,369	377,892	43,780	5,000	2,857,041
Excess (Deficiency) of revenues Over (Under) Expenditures	(343,139)	(209,505)	(28,342)	2	(580,984)
Other Financing Sources (Uses)					
Sale of capital assets	3,675	0	0	0	3,675
Long-term debt proceeds	304,356	0	0	0	304,356
Total Other Financing Sources(Uses)	308,031	0	0	0	308,031
Net Changes in Fund Balance	(35,108)	(209,505)	(28,342)	2	(272,953)
Fund Balance - beginning of year	210,280	318,406	1,033,902	4,664	1,567,252
FUND BALANCE - end of year	$ 175,172	$ 108,901	$ 1,005,560	$ 4,666	$ 1,294,299

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Year Ended June 30, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (272,953)
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 Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital acquisitions	$ 390,739	
Depreciation	(50,532)	340,207
Revenues that do not meet the measurable and available criteria are not recognized in the current year in the governmental funds. In the Statement of Activities revenues are recognized when earned.		
Property taxes		(2,365)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds. Expenses reported in the Statement of Activities include the effects of the changes in these accruals as follows:		
Change in compensated absences payable	$ (2,542)	
Change in long-term net pension liability	(11,668)	
Change in landfill postclosure cost	18,650	4,440
Long-term debt proceeds provide current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Position. Repayment of loan principal is an expenditure in the Governmental Funds, but reduces long-term liabilities in the Statement of Net Position.		
Capital lease proceeds		(304,356)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ (235,027)

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2018

	Water Fund	Sewer Fund	Gas Fund	Total
ASSETS				
Current Assets				
Cash	$ 209,233	$ 53,419	$ 383,020	$ 645,672
Accounts receivable - net	42,612	41,644	48,233	132,489
Due from other funds	0	0	0	0
Inventories-materials and supplies	19,009	29,333	9,769	58,111
Prepaid items	2,460	838	1,920	5,218
Total Current Assets	273,314	125,234	442,942	841,490
Non-Current Assets				
Restricted assets	164,625	199,368	0	363,993
Capital assets-net	1,673,598	1,251,585	60,910	2,986,093
Total Non-Current Assets	1,838,223	1,450,953	60,910	3,350,086
DEFERRED OUTFLOWS OF RESOURCES	8,152	4,185	(520)	11,817
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 2,119,689	$ 1,580,372	$ 503,332	$ 4,203,393

The accompanying notes are an integral part of this statement.

	Water Fund	Sewer Fund	Gas Fund	Total
LIABILITIES				
Current Liabilities				
Accounts payable	$ 8,982	$ 6,468	$ 9,752	$ 25,202
Salaries and wages payable	1,664	1,878	2,451	5,993
Employee benefits	2,328	4,225	3,476	10,029
Accrued Sales Tax	0	0	957	957
Due to other funds	406	0	0	406
Notes Payable - current	22,721	4,147	0	26,868
Bonds payable - current	45,000	24,331	0	69,331
Consumers' deposits payable	56,679	0	10,950	67,629
Total Current Liabilities	137,780	41,049	27,586	206,415
Long-Term Liabilities				
Notes payable - noncurrent	330,323	18,703	0	349,026
Bonds payable - non-current	0	785,238	0	785,238
Net pension liability	10,186	12,605	8,774	31,565
Total Long-Term Liabilities	340,509	816,546	8,774	1,165,829
TOTAL LIABILITIES	478,289	857,595	36,360	1,372,244
DEFERRED INFLOWS OF RESOURCES	9,930	2,904	4,427	17,261
NET POSITION				
Net investment in capital assets	1,275,554	419,166	60,910	1,755,630
Restricted-for debt retirement	164,625	199,368	0	363,993
Unrestricted	191,291	101,339	401,635	694,265
TOTAL NET POSITION	$ 1,631,470	$ 719,873	$ 462,545	$ 2,813,888

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2018

	Water Fund	Sewer Fund	Gas Fund	Total
OPERATING REVENUES				
Charges for services	$ 319,469	$ 283,745	$ 428,813	$ 1,032,027
Other	58,831	1,950	136	60,917
TOTAL OPERATING REVENUES	378,300	285,695	428,949	1,092,944
OPERATING EXPENSES				
Personal services	71,335	45,166	84,966	201,467
Group insurance	12,521	2,752	11,809	27,082
Social security and medicare contributions	4,579	2,858	6,908	14,345
Retirement contributions	5,320	2,907	6,014	14,241
Workers' compensation	2,410	245	1,387	4,042
Professional services	11,149	5,150	22,253	38,552
Repairs and maintenance of system	11,592	2,755	0	14,347
Technical	0	11,489	9,353	20,842
Chemicals	25,155	39,784	0	64,939
Repair and maintenance	35,716	41,536	9,251	86,503
Rental of uniforms	2,137	2,096	2,163	6,396
Insurance, other than employee benefits	13,204	4,904	4,904	23,012
Communications	6,036	0	0	6,036
Dues	350	0	0	350
Travel	3,986	0	2,725	6,711
General supplies and materials	36,429	1,787	10,633	48,849
Energy	43,639	45,539	2,939	92,117
Inventory purchased for resale	0	0	147,532	147,532
Other supplies	0	204	0	204
Depreciation	88,276	133,876	7,843	229,995
TOTAL OPERATING EXPENSES	373,834	343,048	330,680	1,047,562
OPERATING INCOME (LOSS)	4,466	(57,353)	98,269	45,382
NON-OPERATING REVENUES (EXPENSES)				
Contribution from Grant	72,948	0	0	72,948
Intergovernmental revenue	30,855	0	0	30,855
Interest revenues	863	134	0	997
Interest expense	(6,510)	(36,992)	0	(43,502)
Fiscal agent's fees	(1,250)	0	0	(1,250)
TOTAL NON-OPERATING REVENUES (EXPENSES)	96,906	(36,858)	0	60,048
CHANGE IN NET POSITION	101,372	(94,211)	98,269	105,430
Net Position - beginning of year	1,530,098	814,084	364,276	2,708,458
NET POSITION - end of year	$1,631,470	$ 719,873	$ 462,545	$ 2,813,888

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2018

	Water Fund	Sewer Fund	Gas Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 404,467	$ 272,237	$ 460,129	$1,136,833
Cash payments for goods and services	(207,994)	(248,813)	(237,984)	(694,791)
Cash payment to employees	(75,797)	46,614	(82,270)	(111,453)
NET CASH PROVIDED BY OPERATING ACTIVITIES	120,676	70,038	139,875	330,589
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental revenue	30,855	0	0	30,855
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(221,199)	(22,850)	0	(244,049)
Capital grant proceeds	72,948	0	0	72,948
Principal payments on debt	(46,904)	(23,272)	0	(70,176)
Interest paid	(6,510)	(36,992)	0	(43,502)
Loan proceeds	109,422	22,850	0	132,272
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(92,243)	(60,264)	0	(152,507)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	863	134	0	997
Net Change in Cash and Cash Equivalents	60,151	9,908	139,875	209,934
Cash and cash equivalents - beginning of year	313,707	242,879	243,145	799,731
CASH AND CASH EQUIVALENTS - end of year	$ 373,858	$ 252,787	$ 383,020	$1,009,665
Reported as:				
Cash	$ 209,233	$ 53,419	$ 383,020	$ 645,672
Restricted Assets	164,625	199,368	0	363,993
	$ 373,858	$ 252,787	$ 383,020	$1,009,665

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2018

	Water Fund	Sewer Fund	Gas Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ 4,466	$ (57,353)	$ 98,269	$ 45,382
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	88,276	133,876	7,843	229,995
Changes in Assets and Liabilities:				
(Increase) Decrease in accounts receivable	14,457	21,717	8,597	44,771
(Increase) Decrease in due from other funds	23,063	3,407	22,547	49,017
(Increase) Decrease in inventories	0	0	(1,604)	(1,604)
(Increase) Decrease in prepaid items	(195)	(621)	(139)	(955)
Increase (Decrease) in accounts payable	1,493	3,684	3,631	8,808
Increase (Decrease) in net pension liability	(3,831)	(1,915)	(5,746)	(11,492)
Increase (Decrease) in employer's share benefits	(738)	2,539	(883)	918
Increase (Decrease) in salaries and wages payable	107	1,174	(131)	1,150
Increase (Decrease) in intergovernmental rec	0	(38,582)	0	(38,582)
Increase (Decrease) in due to other funds	(9,860)	0	54	(9,806)
Increase (Decrease) in customers' deposits	(1,493)	0	37	(1,456)
Increase (Decrease) in deferred inflows of resources	6,931	761	2,284	9,976
(Increase) Decrease in deferred outflows of resources	(2,000)	1,701	5,116	4,817
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 120,676	$ 70,038	$ 139,875	$ 330,589

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2018

	Industrial Development Authority
ASSETS	
Cash	$ 26,592
Due from other Governmental Agencies	227
TOTAL ASSETS	$ 26,819
LIABILITIES	
Due to other Governmental Agencies	$ 26,819
TOTAL LIABILITIES	$ 26,819

The accompanying notes are an integral part of this statement.

The City of Ocilla, Georgia (the City) 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 and provides the following major services: general government, public safety, public works, health and social services, and culture and recreation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States as applied to governmental units by The Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

The reporting entity is comprised of the primary government, a component unit and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identifies the financial data of the City's discretely presented component units. They are reported separately to emphasize that they are legally separate from the City. Each component unit has a fiscal year end of June 30.

Discretely Presented Component Units

Downtown Development Authority of the City of Ocilla – Created in 1982, the Downtown Development Authority (DDA) 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. Funding for the various projects administered by the DDA is provided by the City.

South Central Drug Task Force – Created in 2002, the South Central Drug Task Force (DTF) 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 DTF 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 City does not contribute funds to the DTF. The City advances funds for operations and payroll, which is refunded to them as DTF grant proceeds are collected.

Related Organization

The Ocilla Housing Authority (the Authority) is accountable to the City because the City Council appoints all five members of the Authority's governing board. However, the Authority is not considered a component unit of the City and is accordingly excluded from these financial statements because the City does not have the ability to impose its will on the Authority, nor is there a specific financial benefit/burden relationship.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements – The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information on all non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The primary government and the component units are presented separately within these financial statements.
The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Fund Financial Statements – During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Governmental Funds – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Those revenues subject to accrual are property taxes, sales taxes, licenses, interest revenue, and charges for services. All other revenue items are considered to be measurable and available only when cash is received. The City considers taxes as available in the period for which they were levied if they are collected within 60 days of the year end.

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).

Intergovernmental revenues are susceptible to accrual based on the compliance, legal, and contractual requirements of the individual programs and consist of two types:

- Funds must be expended for a specific purpose or project and revenues are recognized to the extent of such expenditures. For this type, revenue is deferred when received in advance of expenditures, and payables are accrued for expenditures incurred before funds are received.
- Funds received are not restricted to any specific purpose or project. These resources are recognized as revenues when received, or earlier if susceptible to the accrual criteria.

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, there 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.

The City reports the following major governmental funds:

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

SPLOST Capital Project Fund – The Special Purpose Local Option Sales Tax Fund is used to account for projects supported by the special purpose local option sales tax including construction of roads, sidewalks, water and sewer system improvements, and construction of municipal buildings. This fund is a capital projects type fund.

CDBG Economic Development 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. Revenue consists of interest collected on outstanding loans.

Proprietary Funds – Proprietary funds are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. The Water and Sewer Fund and Natural Gas Fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, including capital grants, investment earnings, and interest expense.

The City reports the following major proprietary 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.

Agency Funds – The City's fiduciary funds are limited to agency funds which have no measurement focus but use the accrual basis of accounting to recognize receivables and payables. Because, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The City reports the following agency fund:

Industrial Development Authority – This fund accounts for property taxes collected and held on behalf of the Industrial Development Authority.

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's governmental activities and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

D. BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with generally accepted accounting principles, except those encumbrances which 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 expenditures 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.

E. CASH AND INVESTMENTS

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposit accounts, amounts with fiscal agents, and investments with an original maturity of three months or less.

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

- Obligations of the State of Georgia or of other states
- Obligations issued by the U.S. government
- Obligations fully insured or guaranteed by the U.S. government or a government agency
- Obligations of any corporation of the U.S. government
- Prime bankers' acceptances
- The State of Georgia local government investment pool
- Repurchase agreements
- Obligations of other political subdivisions of the State of Georgia

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of state or U.S. obligations.

Investments are stated at fair value based on quoted market prices. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

Interest on investments is recorded as revenue in the year the interest is earned and is available to pay liabilities in the current period. All interest revenue related to investment activities is recorded in the respective fund holding the investment.

F. RECEIVABLES

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled utility charges are accrued as receivables and revenue at year end. The delinquent taxes receivable account represents the past seven years of uncollected tax levies.

G. INVENTORIES

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

H. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2018 are recorded as prepaid items. Generally, prepaid expenses in the general and proprietary funds consist solely of insurance premiums.

I. 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.

J. CAPITAL ASSETS

Capital assets are reported in the government-wide statement of net position.

In the fund financial statements, capital assets used in governmental fund activities are accounted for as capital expenditures of the governmental fund upon acquisition. Capital assets used in the proprietary fund operations are accounted for in the same manner as in the government-wide financial statements.

All capital assets are recorded or at cost (or estimated historical cost). Donated capital assets are recorded at acquisition value as of the date received.

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

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

K. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of

resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

In the governmental fund financial statements, deferred inflows of resources are reported for receivables recorded for which the revenue is not available. The City 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. Deferred outflows of resources and deferred inflows of resources are also reported for amounts related to the City's pension plans and other post-employment benefit plan that will be amortized as a component of pension and other post-employment benefit expense in future years.

L. 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.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

M. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences, claims and unfunded pension benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Capital leases are recognized as a liability in the governmental fund financial statements "when due."

N. FUND EQUITY

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

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

- *Nonspendable* – resources which cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

- *Restricted* – resources with constraints placed on the use of resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other government, or (b) by law through constitutional provisions or enabling legislation.

- *Committed Fund Balance* – resources with constraints imposed by the formal action of the government's highest level of decision-making authority, limiting use only to specific purposes. Actions to establish, modify, or rescind a committed fund balance must be formalized by a resolution and a majority approval of the city council.

- *Assigned Fund Balance* – resources 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.

- *Unassigned Fund Balance* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund.

  Flow Assumptions – When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

  - Committed
  - Assigned
  - Unassigned

O. PROPERTY TAXES REVENUES

Property taxes are levied on September 16 and are due by January 20. Liens may attach to property for unpaid taxes after the due date. 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.

P. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Georgia Municipal Employees' Benefit System (GMEBS) and additions to/deductions from GMEBS's fiduciary net position have been determined on the same basis as they are reported by GMEBS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund (SEAD-OPEB) plan (the Plan) and additions to/deductions from the SEAD-OPEB's fiduciary net position have been determined on the same basis as they are reported by SEAD-OPEB. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. 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.

NOTE 2 – LEGAL COMPLIANCE - BUDGETS

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

- 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.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is formally approved by action of the Council at the first regular meeting in July of the year to which it applies.
- All budget transfers must be approved by the Mayor and/or the Council depending on the type and/or amount of expenditure.

Excesses of expenditures over appropriations at the department level (the legal level of control) for the year ended June 30, 2018 are presented below:

General Fund	Actual	Budget	Excess
Fire Department	$ 520,499	$ 236,369	$ 284,130
Culture and Recreation	$ 55,447	$ 48,000	$ 7,447

Excess expenditures over appropriations were a result of the following:

- Fire Department – fire truck purchased through capital lease exceeded budget
- Culture and Recreation – expenditures for College Hill Park and Cemetery fencing exceeded budget

NOTE 3 – DEPOSITS AND INVESTMENTS

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered. As of June 30, 2018, the carrying amount of the City's bank deposits was $1,297,424 and the respective bank balances totaled $1,296,212. Of the total bank balance, $402,420 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining $893,792 was collateralized through the financial institution's participation in the Georgia Secure Deposit Program for public deposits.

Total cash and cash equivalents as of June 30, 2018 consisted of the following:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Assets and Liabilities
Cash and Investments		
Unassigned	$ 929,410	$ 26,592
Restricted	368,014	0
Total	$ 1,297,424	$ 26,592

NOTE 4 – RECEIVABLES

Receivables at June 30, 2018 consist of the following for the fund balance:

	General	CDBG Revolving Loan Fund	Proprietary	Total
Taxes	$ 73,810	$ 0	$ 0	$ 73,810
Accounts	30,402	0	138,391	168,793
Due from other Govts	160,033	0	0	160,033
Notes		981,150	0	981,150
Internal Balances	406	0	(406)	0
Gross Receivables	264,651	981,150	137,985	1,383,786
Less allowance for uncollectibles	(1,000)	0	(5,902)	(6,902)
	$ 263,651	$ 981,150	$ 132,083	$1,376,884

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balances	Increase	Decrease	Ending Balances
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 177,261	$ 0	$ 0	$ 177,261
Improvements and infrastructure	818,223	0	0	818,223
Total capital assets not being depreciated	995,484	0	0	995,484
Capital assets being depreciated:				
Buildings and improvements	283,572	52,933	0	336,505
Machinery and equipment	909,942	337,806	29,468	1,218,280
Total capital assets being depreciated	1,193,514	390,739	29,468	1,554,785
Less accumulated depreciation:				
Buildings	134,174	6,210	0	140,384
Machinery and equipment	598,781	44,322	29,468	613,635
Total accumulated depreciation	732,955	50,532	29,468	754,019
Net capital assets being depreciated	460,559	340,207	0	800,766
Capital Assets, Net	$1,456,043	$ 340,207	$ 0	$1,796,250

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

General Government	$ 3,450
Public Safety	36,156
Public Works	10,715
Culture and Recreation	211
Total	$ 50,532

	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	6,878,351	221,221	142,410	6,957,162
Machinery and equipment	1,238,338	22,850	0	1,261,188
Total capital assets being depreciated	8,274,541	244,071	142,410	8,376,202
Less accumulated depreciation:				
Buildings	107,985	3,240	0	111,225
Improvements	4,540,952	202,790	142,387	4,601,355
Machinery and equipment	964,313	23,964	0	988,277
Total accumulated depreciation	5,613,250	229,994	142,387	5,700,857
Net capital assets being depreciated	2,661,291	14,077	23	2,675,345
Capital Assets, Net	$2,972,039	$14,077	$ 23	$2,986,093

NOTE 6 – INTERFUND BALANCES

Internal balances consist of transactions for operating purposes. The composition of internal balances as of June 30, 2018 is as follows:

Due To	Due From	Amount
General	Water	$ 406
SPLOST	General	25,610
Total		$ 26,016

NOTE 7 – RESTRICTED ASSETS

Restricted assets consists of cash restricted for the following purposes:

General fund - Tax escrow	$ 4,021
Water fund - Debt retirement	164,625
Sewer fund - Debt retirement	199,368
Total restricted assets	$ 368,014

NOTE 8 – LONG-TERM LIABILITIES

A. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Compensated absences	$ 25,319	$ 21,531	$ 18,989	$ 27,861	$ 20,896
Note payable	0	304,356	0	304,356	24,311
Landfill post-closure cost	166,385	0	18,650	147,735	19,023
Total Governmental Activities	$ 191,704	$ 325,887	$ 37,639	$ 479,952	$ 64,230

Compensated absences are from the General Fund.

Business-Type Activities					
Notes payable	$ 249,276	$ 132,273	$ 5,654	$ 375,895	$ 26,868
Bonds payable	917,841	0	63,272	854,569	69,331
Total Business-Type Activities	$ 1,167,117	$ 132,273	$ 68,926	$ 1,230,464	$ 96,199

Compensated absences are paid from the Water and Sewer Funds.

B. NOTES PAYABLE

The City had the following notes payable as of June 30, 2018:

Governmental-Type Activities

The City acquired a fire truck valued at $304,356 in June 2018, which was financed with a loan payable in 10 annual installments of $39,224, including interest at 4.9%, beginning June 12, 2019. Principal balance - $304,356

The following schedule represents the annual requirements to amortize notes payable outstanding as of June 30, 2018:

Year Ending June 30	Principal	Interest	Total
2019	$ 24,311	$ 14,913	$ 39,224
2020	25,502	13,722	39,224
2021	26,752	12,473	39,225
2022	28,063	11,162	39,225
2023	29,438	9,787	39,225
2024-2028	170,290	25,830	196,120
Total	$ 304,356	$ 87,887	$ 392,243

Business-Type Activities

Georgia Environmental Facilities Authority dated March 1, 2018 for $358,698 for water meter replacements. Loan is to be repaid in 180 monthly installments of $2,108 including interest at .75%, beginning April 1, 2018. The City has pledged its full faith and credit and revenue-raising power, including its taxing power. Principal balance - $353,045

The City acquired a tractor for the Sewer Department valued at $22,850 in June 2018, which was financed through John Deere Financial. Loan is to be repaid in 60 monthly installments of $429, including interest at 4.756%, beginning July 27, 2018. Principal balance - $22,850

The following schedule represents the annual requirements to amortize notes payable outstanding as of June 30, 2018:

Year Ending June 30	Principal	Interest	Total
2019	$ 26,868	$ 3,567	$ 30,435
2020	27,240	2,399	29,639
2021	27,625	2,810	30,435
2022	28,019	2,416	30,435
2023	28,427	2,008	30,435
2024-2032	218,808	15,136	233,944
2033	18,908	59	18,967
Total	$ 375,895	$ 28,395	$ 404,290

C. REVENUE BONDS DEBT SERVICE REQUIREMENTS

Business-Type Activities

Water and Sewer Revenue Bonds

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, 2018, the Water and Sewer Sinking Fund for the Series 2003 Bonds contained $7,574 in the principal and interest account (Ordinance requires $7,418), Renewal and Extension account contained $109,340. The debt service reserve account contained $47,712 (Ordinance requires $47,250). Sinking Fund No. 2 Debt Service Reserve Account for the Series 1998 Bonds contained $85,676 (Ordinance requires $60,264). The Renewal and Extension account contains $113,692.

The debt service requirements at June 30, 2018 are as follows:

	1998 Issue		2003 Issue		
Year Ending	Principal June 30	Interest Due	Principal June 30	Interest Due	Total Requirement
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	29,120	31,144	0	0	60,264
2024-2028	166,938	134,382	0	0	301,320
2029-2033	208,972	92,348	0	0	301,320
2034-2038	261,591	39,729	0	0	301,320
2039	38,709	630	0	0	39,339
Total	$809,569	$435,050	$ 45,000	$ 2,250	$1,291,869

NOTE 9 – PENSION PLAN

Plan description – The City's defined benefit pension plan (the Plan) provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the state of Georgia. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. The report can be obtained by writing to Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303.

The City's payroll for employees covered by the system for the fiscal year beginning July 1, 2017 was $979,963. 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 covered under the plan – At June 30, 2018, employees were covered by the benefit terms as follows:

Inactive employees or beneficiaries currently receiving benefits	14
Inactive employees that are entitled to but not yet receiving benefits	10
Active employees	28
Total covered employees	52

Funding policy – The Plan is subject to minimum funding standards of the Public Retirement Systems Standards law (Georgia Code Section 47-20-10). The city makes all contributions to the plan; employees are not required to contribute. The City's policy is to contribute the actuarially determined amount as recommended by GMEBS.

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, 2017, the minimum funding requirement is $61,380, or 5.90% of covered payroll. This amount consists of (a) normal cost of $29,257, (b) administrative expense of $7,489 (c) amortization of the unfunded actuarial accrued liability of $22,454, and (d) fiscal year adjustment of $2,180. The amounts were developed by the plan administrators.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net pension liability – At June 30, 2018, the City reported a liability of $359,340 as its net pension liability. The net pension liability was measured as of September 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. The City's net pension liability was based on the City's long-term contributions to the pension, actuarially determined at January 1, 2018.

The following schedule reconciles the differences between the beginning and ending net pension liability for the the year ended June 30, 2018.

Changes in the net pension liability	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability
Balances at September 30, 2016*	$ 1,678,198	$ 1,267,093	$ 411,105
Changes for the year:			
Service cost	17,673	0	17,673
Interest	125,425	0	125,425
Differences between expected & actual experience	10,193	0	10,193
Contributions – Employer	0	50,836	(50,836)
Net investment income	0	184,880	(184,880)
Benefit payments, including refunds of employee contributions	(119,631)	(119,631)	0
Administrative expense		(8,506)	8,506
Other	22,154	0	22,154
Net changes	55,814	107,579	(51,765)
Balances at September 30, 2017**	$ 1,734,012	$ 1,374,672	$ 359,340

**Entry Age normal liabilities calculated using ages and service amounts as of January 1, 2017 are used to measure TPL as of September 30, 2016. The balances as of September 30, 2016 constitute measurements of the NPL for the fiscal year ending June 30, 2017.*

***Entry Age normal liabilities calculated using ages and service amounts as of January 1, 2018 are used to measure TPL as of September 30, 2017. The balances as of September 30, 2017 constitute measurements of the NPL for the fiscal year ending June 30, 2018.*

Pension expense – For the year ended June 30, 2018, the City recognized pension expense of $55,364. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or methods, and plan benefits. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows/inflows of resources related to pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 53,561	$ 0
Changes of assumptions	18,460	(5,780)
Net difference between projected and actual earnings on pension plan investments	0	(73,904)
City contributions subsequent to the measurement date	26,930	0
Total	$ 98,951	$ (79,684)

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to the net pension liability to be recognized in future periods in a systematic and rational manner, as detailed below.

$26,930 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date 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 in future years as follows:

Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2019	$ (1,036)
2020	7,836
2021	(10,009)
2022	(9,845)
2023	5,391
Thereafter	0
Total	$ (7,663)

Actuarial methods and assumptions – The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial methods and assumptions. Total pension liability represents the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial assumptions:	
Net investment rate of return	7.50%
Projected salary increases	2.75% plus service based merit increases
Cost of living adjustments	0.00%
Inflation rate	2.75%
Retirement age:	
Normal	65 with 5 years of service
Early	55 with 10 years of service
Mortality rates:	
Healthy	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females
Disabled	RP-2000 Disabled Retiree Mortality Table with sex-distinct rates
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

The mortality actuarial and other actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

The on-going basis net investment return is 7.50%. 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 March 31, 2017 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Domestic equity	45%	6.71%
International equity	20%	7.71%
Real estate	10%	5.21%
Global fixed income	5%	3.36%
Domestic fixed income	20%	2.11%
Cash	0%	
Total	100%	

Discount rate – The discount rate used to measure the total pension liability was 7.50%, which is the same as the long-term expected rate of return. The projection of cash flows used to determine the discount rate assumed that contributions from the City will continue to be made at the current contribution rate. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the City's net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	$571,811	$359,340	$181,042

NOTE 10 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

At June 30, 2018, deferred inflows consists of the following:

Fund	Amount
General-deferred tax revenue	$ 51,188

NOTE 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 Rate – 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 Rate – 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.

NOTE 12 – JOINT VENTURES

The City has the following joint ventures:

Southern Georgia Regional Commission – The City of Ocilla, in conjunction with cities and counties in the 18 county South Georgia area are members of the Southern Georgia Regional Commission (the Commission). Membership in the Commission 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 Commission. Each county and municipality in the state is required by law to pay minimum annual dues to the Commission. The City paid annual dues in the amount of $4,664 to the Commission for the year ended June 30, 2018. The Commission 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 Commission issues separate financial statements which may be obtained from:

The Southern Georgia Regional Commission
327 W. Savannah Ave.
Valdosta, Georgia 31601

Joint Development Authority – The City participates equally with three area governments in the Ben Hill-Irwin Area Joint Development Authority (the 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 $119,614 plus interest at 5.75% at June 30, 2018. 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

NOTE 13 – 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.

NOTE 14 – 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 $332,770, of which $166,385 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, 2018 were $18,650. 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 ($147,735) for the remaining 7 years (2025) of required post closure care. The annual cost is expected to be approximately $18,650. This cost is based on 2017 dollars with no inflation adjustment.

NOTE 15 – REVOLVING LOAN FUND

There are 14 outstanding loans in the revolving loan fund totaling $981,150 at June 30,2018. Of these, 8 are current, 4 are delinquent and making payments, 2 are delinquent and have made no payments. During the fiscal year, principal payments totaling $62,160 were collected. In addition, two delinquent loans totaling $43,776 were determined to be uncollectible and were written off during the year ended June 30, 2018.

NOTE 16 – SUBSEQUENT EVENTS

In preparing these financial statements, the City of Ocilla has evaluated events and transactions for potential recognition or disclosure through December 18, 2018, the date when the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OCILLA, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
General Fund - GAAP Basis
Year Ended June 30, 2018

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Advalorem taxes	$ 784,256	$ 767,570	$ 765,530	$ (2,040)
Mobile home and motor vehicle	126,360	129,360	109,564	(19,796)
Intangible tax	2,000	2,000	2,000	0
Real estate transfer tax	1,000	5,000	773	(4,227)
Franchise taxes	187,000	187,000	173,504	(13,496)
Local option sales and use taxes	280,000	280,000	226,498	(53,502)
Alcoholic beverage excise taxes	62,600	62,600	53,205	(9,395)
Insurance premium taxes	212,000	225,701	225,701	0
Penalties and interest on taxes	12,000	12,000	9,724	(2,276)
Business licenses	47,000	50,000	45,630	(4,370)
Regulatory fees-building structures and equipment	1,000	1,000	170	(830)
Payment in lieu of taxes	23,000	24,830	24,830	0
Charges for services-sanitation	281,000	281,000	244,737	(36,263)
Charges for services-cemetery	5,700	5,700	9,175	3,475
Charges for services-bad check fees	1,000	1,000	65	(935)
Fines and forfeitures	80,000	97,614	105,975	8,361
Interest income	1,000	1,000	143	(857)
Nutrition reimbursement	31,000	35,000	29,027	(5,973)
Miscellaneous revenue	37,584	45,239	47,591	2,352
Rents and royalties	11,000	12,000	13,388	1,388
Additional revenue	4,876	54,997	0	(54,997)
TOTAL REVENUES	2,191,376	2,280,611	2,087,230	(193,381)
EXPENDITURES				
General government	381,748	463,147	429,002	(34,145)
Judicial	25,600	30,600	29,997	(603)
Public safety	1,207,650	1,189,243	1,427,100	237,857
Public works	423,521	444,989	393,245	(51,744)
Health/ welfare	76,009	69,000	59,946	(9,054)
Culture/ recreation	40,000	48,000	55,447	7,447
Economic development	36,848	35,632	35,632	0
TOTAL EXPENDITURES	2,191,376	2,280,611	2,430,369	149,758
Deficiency of Revenues Under Expenditures	0	0	(343,139)	(343,139)

(continued on next page)

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
General Fund - GAAP Basis
Year Ended June 30, 2018

	Budget			
	Original	Final	Actual	Variance
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	$ 0	$ 0	$ 3,675	$ 3,675
Capital lease transaction	0	0	304,356	304,356
TOTAL OTHER FINANCING SOURCES (USES)	0	0	308,031	308,031
NET CHANGE IN FUND BALANCE	$ 0	$ 0	$ (35,108)	$ (35,108)
Fund Balance - beginning of year			$ 210,280	
FUND BALANCE - end of year			$ 175,172	

The accompanying notes are an integral part of this statement.

SUPPLEMENTARY INFORMATION

CITY OF OCILLA, GEORGIA
Balance Sheet
General Fund
June 30, 2018

ASSETS

Cash	$ 213,506	
Taxes receivable	54,414	
Taxes receivable-delinquent	19,396	
Accounts receivable		
(net of allowance for uncollectible of $1,000)	29,402	
Due from other governments	160,033	
Due from other funds	406	
Other assets	0	
Restricted asset	4,021	
Prepaid items	32,867	
TOTAL ASSETS		$ 514,045

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

Liabilities		
Accounts payable	$ 28,962	
Salaries and wages payable	30,643	
Payroll deductions payable	111	
Tax escrow liability	2,132	
Operating loan	200,000	
Due to other Governmental Agencies	227	
Due to other funds	25,610	
Total Liabilities		287,685
Deferred Inflows of Resources		
Unearned revenue - property taxes		51,188
Fund Balances		
Fund balance - unassigned	138,284	
Restricted - General Government	4,021	
Nonspendable fund balance	32,867	
Total Fund Balances		175,172
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		$ 514,045

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Schedule of Expenditures by Department - Budget and Actual
General Fund
Year Ended June 30, 2018

	Budget			
	Original	Final	Actual	Variance
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative				
Personnel services-salaries and wages	$ 32,400	$ 32,400	$ 32,400	$ 0
Travel	10,000	25,324	31,232	5,908
Executive				
Personnel services-salaries and wages	66,924	87,000	86,204	(796)
General administration				
Personnel services-salaries and wages	29,744	25,000	23,355	(1,645)
Employee insurance	13,514	14,200	13,082	(1,118)
Social security and medicare contributions	12,522	12,500	12,427	(73)
Retirement contributions	35,000	42,921	35,456	(7,465)
Workers' compensation	45,544	50,242	39,251	(10,991)
Professional services	29,200	36,660	36,944	284
Technical services	4,000	6,000	6,233	233
Repairs and maintenance	2,500	2,500	2,056	(444)
Postage	3,600	3,600	1,140	(2,460)
Insurance	10,000	9,000	7,582	(1,418)
Communications	7,000	11,000	14,737	3,737
Travel	3,000	5,000	5,885	885
Dues and fees	10,800	10,800	7,797	(3,003)
General supplies and materials	44,000	70,500	54,861	(15,639)
Utilities	8,000	6,500	6,481	(19)
Payments to other agencies	14,000	12,000	11,879	(121)
Debt service - interest	0	0	0	0
Total General Government	381,748	463,147	429,002	(34,145)
JUDICIAL				
Personnel services-salaries and wages	6,600	6,600	6,600	0
Fines and forfeitures addon fees	15,000	20,000	20,998	998
Travel and Training	2,000	2,000	1,270	(730)
General supplies and materials	2,000	2,000	1,129	(871)
Total Judicial	25,600	30,600	29,997	(603)

(Continued on next page)

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Schedule of Expenditures by Department - Budget and Actual
General Fund
Year Ended June 30, 2018

	Budget			
	Original	Final	Actual	Variance
PUBLIC SAFETY				
Police				
Personnel services-salaries and wages	$ 625,000	$ 610,000	$ 610,660	$ 660
Employee insurance	88,090	85,000	77,573	(7,427)
Social security and medicare contributions	47,813	47,000	44,034	(2,966)
Repairs and maintenance	22,000	20,000	9,375	(10,625)
Utilities	10,000	10,000	8,685	(1,315)
Rentals - uniforms	6,000	6,000	6,391	391
Communications	13,000	13,000	11,031	(1,969)
Travel	10,000	10,000	10,412	412
General supplies and materials	50,874	64,374	47,435	(16,939)
Gas and oil	35,000	30,000	26,978	(3,022)
Insurance	10,000	10,000	9,974	(26)
Capital outlay	30,000	35,000	33,450	(1,550)
Matches for grants	12,900	10,500	9,659	(841)
Custody of prisoners	2,000	2,000	944	(1,056)
Total Police	962,677	952,874	906,601	(46,273)
Fire				
Personnel services-salaries and wages	165,076	155,000	150,784	(4,216)
Employee insurance	20,269	20,269	20,304	35
Social security and medicare contributions	12,628	12,000	10,985	(1,015)
Repairs and maintenance	12,000	14,000	10,346	(3,654)
Rentals - uniforms	4,000	4,000	0	(4,000)
Communications	5,000	5,000	4,512	(488)
Travel	4,000	4,000	1,012	(2,988)
Utilities	4,000	5,100	5,302	202
Insurance	4,000	3,000	1,604	(1,396)
Capital Outlay	0	0	304,356	304,356
General supplies and materials	10,000	10,000	8,795	(1,205)
Gas and oil	4,000	4,000	2,499	(1,501)
Total Fire	244,973	236,369	520,499	284,130
Total Public Safety	1,207,650	1,189,243	1,427,100	237,857

(Continued on next page)

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Schedule of Expenditures by Department - Budget and Actual
General Fund
Year Ended June 30, 2018

	Budget			
	Original	Final	Actual	Variance
PUBLIC WORKS				
Highways and streets				
Personnel services-salaries and wages	$ 76,128	$ 80,000	$ 76,762	$ (3,238)
Employee insurance	20,269	20,269	15,179	(5,090)
Social security and medicare contributions	5,824	6,120	5,678	(442)
Repairs and maintenance-equipment	7,500	7,500	4,905	(2,595)
Repairs and maintenance-vehicle	7,000	7,000	5,271	(1,729)
Rentals - uniforms	6,000	6,000	5,364	(636)
Education and training	1,500	1,500	1,269	(231)
General supplies and materials	15,500	12,500	9,248	(3,252)
Gas and oil	13,500	13,500	7,510	(5,990)
Utilities	4,600	4,600	2,011	(2,589)
Insurance	6,700	4,000	3,204	(796)
Street repair and maintenance	20,000	35,000	10,885	(24,115)
Street lighting	79,000	87,000	89,392	2,392
Capital Outlay	0	0	15,276	15,276
Total Highways and Streets	263,521	284,989	251,954	(33,035)
Solid Waste and Recycling				
Disposal	160,000	160,000	141,291	(18,709)
Total Solid Waste and Recycling	160,000	160,000	141,291	(18,709)
Total Public Works	423,521	444,989	393,245	(51,744)
HEALTH AND WELFARE				
Neighborhood center				
Operating expenditures	15,000	13,000	7,038	(5,962)
Nutrition				
Personnel services-salaries and wages	28,009	23,000	22,480	(520)
Operating expenditures	33,000	33,000	30,428	(2,572)
Total Health and Welfare	76,009	69,000	59,946	(9,054)

(Continued on next page)

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Schedule of Expenditures by Department - Budget and Actual
General Fund
Year Ended June 30, 2018

	Budget			
	Original	Final	Actual	Variance
CULTURE AND RECREATION				
Other recreational facilities	$ 30,000	$ 38,000	$ 29,629	$ (8,371)
Capital outlay	0	0	18,657	18,657
Parks	10,000	10,000	7,161	(2,839)
Total Culture and Recreation	40,000	48,000	55,447	7,447
ECONOMIC DEVELOPMENT				
Downtown Development Authority	4,000	4,000	4,000	0
Joint Development Authority	32,848	31,632	31,632	0
Total Economic Development	36,848	35,632	35,632	0
TOTAL EXPENDITURES	$ 2,191,376	$ 2,280,611	$ 2,430,369	$ 149,758

The accompanying notes are an integral part of this statement.

CITY OF OCILLA, GEORGIA
Combining Balance Sheet
Other Governmental Funds
June 30, 2018

	SPECIAL REVENUE FUNDS		
	2017 LMIG Safety Action Plan	Police Investigation Fund	Total
ASSETS			
Cash	$ 0	$ 4,666	$ 4,666
Loan Receivable	0	0	0
TOTAL ASSETS	$ 0	$ 4,666	$ 4,666
LIABILITIES AND FUND BALANCES			
Liabilities	$ 0	$ 0	$ 0
Fund Balances			
Restricted	0	4,666	4,666
Total Fund Balances	0	4,666	4,666
TOTAL LIABILITIES AND FUND BALANCES	$ 0	$ 4,666	$ 4,666

CITY OF OCILLA, GEORGIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2018

	SPECIAL REVENUE FUNDS		
	2017 LMIG Safety Action Plan	Police Investigation Fund	Total
REVENUES			
Intergovernmental	$ 5,000	$ 0	$ 5,000
Interest income	0	2	2
Interest - loan receivable	0	0	0
TOTAL REVENUES	5,000	2	5,002
EXPENDITURES			
Public Safety	0	0	0
Economic Development	0	0	0
Public Safety	5,000	0	5,000
TOTAL EXPENDITURES	5,000	0	5,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	2	2
NET CHANGE IN FUND BALANCES	0	2	2
Fund Balances - beginning of year	0	4,664	4,664
FUND BALANCES - end of year	$ 0	$ 4,666	$ 4,666

CITY OF OCILLA, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
2017 LMIG Safety Action Plan
Year Ended June 30, 2018

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Intergovernmental	$ 5,000	$ 5,000	$ 5,000	$ 0
TOTAL REVENUES	5,000	5,000	5,000	0
EXPENDITURES				
Public Safety	5,000	5,000	5,000	0
TOTAL EXPENDITURES	5,000	5,000	5,000	0
Revenues Over (Under) Expenditures	0	0	0	0
NET CHANGE IN FUND BALANCE	$ 0	$ 0	0	$ 0
Fund Balances - beginning of year			0	
FUND BALANCES - end of year			$ 0	

CITY OF OCILLA, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Police Investigation Fund
Year Ended June 30, 2018

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Interest income	$ 2	$ 2	$ 2	$ 0
TOTAL REVENUES	2	2	2	0
EXPENDITURES				
	0	0	0	0
TOTAL EXPENDITURES	0	0	0	0
Revenues Over (Under) Expenditures	2	2	2	0
NET CHANGE IN FUND BALANCE	$ 0	$ 0	2	$ 0
Fund Balances - beginning of year			4,664	
FUND BALANCES - end of year			$ 4,666	

CITY OF OCILLA, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CDBG Economic Development Revolving Loan Fund
Year Ended June 30, 2018

	Budget			Variance with
	Original	Final	Actual	Budget
REVENUES				
Interest - loan receivable	$ 15,286	$ 15,286	$ 15,286	$ 0
Interest income	152	152	152	0
TOTAL REVENUES	15,438	15,438	15,438	0
EXPENDITURES				
Bad debt write-off	0	0	43,780	(43,780)
Excess of Revenues Over Expenditures	15,438	15,438	(28,342)	(43,780)
NET CHANGE IN FUND BALANCE	$ 0	$ 0	(28,342)	$ (43,780)
Fund Balances - beginning of year			1,033,902	
FUND BALANCES - end of year			$ 1,005,560	

CITY OF OCILLA, GEORGIA
Statement of Net Position
Water Fund
June 30, 2018

ASSETS	
Current Assets	
Cash	$ 209,233
Accounts receivable, net	42,612
Inventories-materials and supplies	19,009
Prepaid items	2,460
Total Current Assets	273,314
Restricted Assets	
Cash	164,625
Capital Assets	
Sites	310,748
Buildings	132,892
Machinery and equipment	388,252
Water and sewer system	3,492,357
	4,324,249
Less accumulated depreciation	(2,650,651)
Total Capital Assets	1,673,598
DEFERRED OUTFLOWS OF RESOURCES	8,152
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$2,119,689

CITY OF OCILLA, GEORGIA
Statement of Net Position
Water Fund
June 30, 2018

LIABILITIES	
Current Liabilities	
Accounts payable	$ 8,982
Salaries and wages payable	1,664
Employee benefits	2,328
Due to other funds	406
Notes Payable - current	22,721
Bonds payable-current	45,000
Consumers' deposits payable	56,679
Total Current Liabilities	137,780
Non-current Liabilities	
Notes payable-non-current	330,323
Bonds payable-non-current	0
Net Pension Liability	10,186
Total noncurrent liabilities	340,509
TOTAL LIABILITIES	478,289
DEFERRED INFLOWS OF RESOURCES	9,930
NET POSITION	
Net Investment in Capital Assets	1,275,554
Restricted	164,625
Unrestricted	191,291
TOTAL NET POSITION	1,631,470
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$2,119,689

CITY OF OCILLA, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Water Fund
Year Ended June 30, 2018

OPERATING REVENUES	
Water charges	$ 319,469
Other	58,831
TOTAL OPERATING REVENUES	378,300
OPERATING EXPENSES	
Personnel services-salaries and wages	71,335
Employee insurance	12,521
Social security and medicare contributions	4,579
Retirement contributions	5,320
Workers' compensation	2,410
Professional services	11,149
Repairs and maintenance of system	11,592
Repairs and maintenance	35,716
Rental of uniforms	2,137
Insurance	13,204
Communications	6,036
Travel	3,986
Dues	350
Chemicals	25,155
General supplies and materials	36,429
Energy	43,639
Depreciation	88,276
TOTAL OPERATING EXPENSES	373,834
OPERATING INCOME	4,466
NON-OPERATING REVENUES (EXPENSES)	
Grant - GEFA water meter project	72,948
Intergovernmental revenue	30,855
Interest income	863
Interest expense	(6,510)
Fiscal agent's fee	(1,250)
TOTAL NON-OPERATING REVENUES (EXPENSES)	96,906
CHANGE IN NET POSITION	101,372
Net Position - beginning of year	1,530,098
NET POSITION - end of year	$ 1,631,470

CITY OF OCILLA, GEORGIA
Statement of Cash Flows
Water Fund
Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 404,467
Cash payments for goods and services	(207,994)
Cash payments to employees	(75,797)
NET CASH PROVIDED BY OPERATING ACTIVITIES	120,676
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Intergovernmental revenue	30,855
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(221,199)
Payments on debt	(46,904)
Interest paid	(6,510)
Loan proceeds	109,422
Capital grant proceeds	72,948
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(92,243)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	863
Net Change in Cash and Cash Equivalents	60,151
Cash and cash equivalents - beginning of year	313,707
CASH AND CASH EQUIVALENTS - end of year	$ 373,858
Reconciliation of operating income to net cash used by operating activities	
Operating income	$ 4,466
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	88,276
Changes in Assets and Liabilities:	
(Increase) Decrease in accounts receivable	14,457
(Increase) Decrease in inventories	0
(Increase) Decrease in Due from other Funds	23,063
(Increase) Decrease in prepaid items	(195)
Increase (Decrease) in accounts payable	1,493
Increase (Decrease) in net pension liability	(3,831)
Increase (Decrease) in employer's share benefits	(738)
Increase (Decrease) in salaries and wages payable	107
Increase (Decrease) in Due to other Funds	(9,860)
Increase (Decrease) in customers' deposits	(1,493)
Increase (Decrease) in Deferred Inflows of Resources	6,931
(Increase) Decrease in Deferred Outflows of Resources	(2,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 120,676
Reported as:	
Cash	$ 209,233
Restricted Assets	164,625
CASH AND CASH EQUIVALENTS - end of year	$ 373,858

CITY OF OCILLA, GEORGIA
Statement of Net Position
Sewer Fund
June 30, 2018

ASSETS	
Current Assets	
Cash	$ 53,419
Accounts receivable, net	41,644
Due from other funds	0
Inventory	29,333
Prepaid items	838
Total Current Assets	125,234
Restricted Assets	
Cash	199,368
Capital Assets	
Machinery and equipment	58,770
Sanitary sewer system	3,070,243
Building	24,960
Waste treatment plant	772,015
	3,925,988
Less accumulated depreciation	(2,674,403)
Total Capital Assets	1,251,585
DEFERRED OUTFLOWS OF RESOURCES	4,185
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,580,372

CITY OF OCILLA, GEORGIA
Statement of Net Position
Sewer Fund
June 30, 2018

LIABILITIES	
Current Liabilities	
Accounts payable	$ 6,468
Salaries and wages payable	1,878
Payroll deductions payable	0
Employee benefits	4,225
Due to other funds	0
Notes Payable - current	4,147
Bonds payable - current	24,331
Total Current Liabilities	41,049
Non-current Liabilities	
Notes Payable - non-current	18,703
Bonds payable - non-current	785,238
Net Pension Liability	12,605
Total Noncurrent Liabilities	816,546
TOTAL LIABILITIES	857,595
DEFERRED INFLOWS OF RESOURCES	2,904
NET POSITION	
Net Investment in Capital Assets	419,166
Restricted	199,368
Unrestricted	101,339
TOTAL NET POSITION	719,873
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 1,580,372

CITY OF OCILLA, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Sewer Fund
Year Ended June 30, 2018

OPERATING REVENUES	
Sewer charges	$ 283,745
Other	1,950
TOTAL OPERATING REVENUES	285,695
OPERATING EXPENSES	
Personnel services-salaries and wages	45,166
Employee insurance	2,752
Social security and medicare contributions	2,858
Retirement contributions	2,907
Workers' compensation	245
Professional services	5,150
Repairs and maintenance of system	2,755
Technical	11,489
Chemicals	39,784
Repairs and maintenance	41,536
Rental of uniforms	2,096
Insurance	4,904
General supplies and materials	1,787
Energy	45,539
Other supplies	204
Depreciation	133,876
TOTAL OPERATING EXPENSES	343,048
OPERATING (LOSS)	(57,353)
NON-OPERATING REVENUES (EXPENSES)	
Interest income	134
Interest expense	(36,992)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(36,858)
CHANGE IN NET POSITION	(94,211)
Net Position - beginning of year	814,084
NET POSITION - end of year	$ 719,873

CITY OF OCILLA, GEORGIA
Statement of Cash Flows
Sewer Fund
Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 272,237
Cash payments for goods and services	(248,813)
Cash payments to employees	46,614
NET CASH PROVIDED BY OPERATING ACTIVITIES	70,038
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Purchase of Capital Assets	(22,850)
Payments on debt	(23,272)
Loan proceeds	22,850
Interest paid	(36,992)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(60,264)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	134
Net Change in Cash and Cash Equivalents	9,908
Cash and cash equivalents - beginning of year	242,879
CASH AND CASH EQUIVALENTS - end of year	$ 252,787
Reconciliation of operating income to net cash provided by operating activities	
Operating loss	$ (57,353)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	133,876
Changes in Assets and Liabilities:	
(Increase) Decrease in accounts receivable	21,717
(Increase) Decrease in Due from Other Funds	3,407
(Increase) Decrease in prepaid items	(621)
Increase (Decrease) in payroll deductions	(350)
Increase (Decrease) in accounts payable	3,684
Increase (Decrease) in net pension liability	(1,915)
Increase (Decrease) in employer's share benefits	2,539
Increase (Decrease) in Due to Other Funds	(38,582)
Increase (Decrease) in salaries and wages payable	1,174
Increase (Decrease) in Deferred Inflows of Resources	761
(Increase) Decrease in Deferred Outflows of Resources	1,701
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 70,038
Reported as:	
Cash	$ 53,419
Restricted Assets	199,368
CASH AND CASH EQUIVALENTS - end of year	$ 252,787

CITY OF OCILLA, GEORGIA
Statement of Net Position
Gas Fund
June 30, 2018

ASSETS	
Current Assets	
Cash	$ 383,020
Accounts receivable, net	48,233
Due from other funds	0
Inventories-gas and supplies	9,769
Prepaid items	1,920
Total Current Assets	442,942
Capital Assets	
Machinery and equipment	42,938
Natural gas system	393,776
	436,714
Less accumulated depreciation	(375,804)
Total Capital Assets	60,910
DEFERRED OUTFLOWS OF RESOURCES	(520)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 503,332
LIABILITIES	
Current Liabilities	
Accounts payable	$ 9,752
Salaries and wages payable	2,451
Employee benefits	3,476
Accrued Sales Tax	957
Consumers' deposits payable	10,950
Total Current Liabilities	27,586
Noncurrent Liabilities	
Net Pension Liability	8,774
DEFERRED INFLOWS OF RESOURCES	4,427
NET POSITION	
Net Investment in Capital Assets	60,910
Unrestricted	401,635
TOTAL NET POSITION	462,545
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 503,332

CITY OF OCILLA, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Gas Fund
Year Ended June 30, 2018

OPERATING REVENUES	
Gas charges	$ 428,813
Miscellaneous	136
TOTAL OPERATING REVENUES	428,949
OPERATING EXPENSES	
Personnel services-salaries and wages	84,966
Employee insurance	11,809
Social security and medicare contributions	6,908
Retirement contributions	6,014
Workers' compensation	1,387
Professional services	22,253
Technical services	9,353
Repairs and maintenance	9,251
Rental of uniforms	2,163
Insurance	4,904
Travel	2,725
General supplies and materials	10,633
Energy	2,939
Inventory purchased for resale	147,532
Depreciation	7,843
TOTAL OPERATING EXPENSES	330,680
OPERATING INCOME	98,269
CHANGE IN NET POSITION	98,269
Net Position - beginning of year	364,276
NET POSITION - end of year	$ 462,545

CITY OF OCILLA, GEORGIA
Statement of Cash Flows
Gas Fund
Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 460,129
Cash payments for goods and services	(237,984)
Cash payments to employees	(82,270)
NET CASH PROVIDED BY OPERATING ACTIVITIES	139,875
Net Change in Cash and Cash Equivalents	139,875
Cash and cash equivalents - beginning of year	243,145
CASH AND CASH EQUIVALENTS - end of year	$ 383,020
Reconciliation of operating income to net cash provided by operating activities	
Operating income	$ 98,269
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	7,843
Changes in Assets and Liabilities:	
(Increase) Decrease in accounts receivable	8,597
(Increase) Decrease in due from other funds	22,547
(Increase) Decrease in inventories	(1,604)
(Increase) Decrease in prepaid items	(139)
(Increase) Decrease in other current assets	0
Increase (Decrease) in accounts payable	3,631
Increase (Decrease) in net pension liability	(5,746)
Increase (Decrease) in employer's share benefits	(883)
Increase (Decrease) in intergovernmental payable	
Increase (Decrease) in salaries and wages payable	(131)
Increase (Decrease) in sales tax payable	54
Increase (Decrease) in customer deposits payable	37
Increase (Decrease) in Deferred Inflows of Resources	2,284
(Increase) Decrease in Deferred Outflows of Resources	5,116
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 139,875

CITY OF OCILLA, GEORGIA
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
Year Ended June 30, 2018

	Industrial Deveopment Authority
Additions:	
Tax collections	$ 43,394
Deductions:	
Disbursement to Development Authority	35,000
Miscellaneous expense	115
Total Deductions	35,115
Change in Due to other Governmental Agencies	8,279
Due to other Governmental Agencies - beginning of year	18,540
DUE TO OTHER GOVERNMENTAL AGENCIES - end of year	$ 26,819

CITY OF OCILLA, GEORGIA
Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2018

	Downtown Development Authority of the City of Ocilla	South Central Drug Task Force	Total
ASSETS			
Cash In bank	$ 11,235	$ 75,631	$ 86,866
Grant receivable	0	72,545	72,545
Due from Other Governments	0	0	0
TOTAL ASSETS	$ 11,235	$ 148,176	$ 159,411
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	0	115,211	115,211
Fund Balance			
Restricted	11,235	32,965	44,200
TOTAL LIABILITIES AND FUND BALANCE	$ 11,235	$ 148,176	$ 159,411

CITY OF OCILLA, GEORGIA
Combining Statement of Activities and Changes in Net Position
Discretely Presented Component Units
Year Ended June 30, 2018

	Downtown Development Authority of the City of Ocilla	South Central Drug Task Force	Total
REVENUES			
Federal grant	$ 0	$ 127,677	$ 127,677
Intergovernmental revenue	14,000	66,239	80,239
Confiscated cash and property	0	12,158	12,158
TOTAL REVENUES	14,000	206,074	220,074
EXPENDITURES			
Administration	0	11,866	11,866
Public safety	0	230,117	230,117
Economic development	8,810	0	8,810
Culture/ recreation	1,000	0	1,000
TOTAL EXPENDITURES	9,810	241,983	251,793
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,190	(35,909)	(31,719)
Other Financing Sources (Uses) Sale of capital asset	0	13,500	13,500
NET CHANGE IN FUND BALANCES	4,190	(22,409)	(18,219)
Fund Balances - beginning of year	7,045	55,374	62,419
FUND BALANCES - end of year	$ 11,235	$ 32,965	$ 44,200

CITY OF OCILLA, GEORGIA
Schedule of Projects Using Special Purpose Local Option Sales Tax Proceeds
Year Ended June 30, 2018

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					
Administration	$ 80,000	$ 0	$ 0	$ 0	$ 0	0%	$ 0	$ 0
Utilities-pump station	250,000	250,000	39,733	0	39,733	16%	0	0
Rolling stock-police	100,000	25,000	24,503	0	24,503	98%	0	0
Street project	290,000	290,000	326,433	308,784	635,217	219%	31,458	340,242
Fire Station	100,000	190,000	0	19,000	19,000	10%	0	19,000
Rolling stock-fire	50,000	115,000	21,569	0	21,569	19%	0	0
Landfill/Sanitation project	135,000	135,000	75,568	18,650	94,218	70%	0	18,650
Rolling stock-street	30,000	30,000	19,924	0	19,924	66%	0	0
TOTAL	$ 1,035,000	$ 1,035,000	$ 507,730	$ 346,434	$ 854,164	83%	$ 31,458	$ 377,892

*Grant funds received by the City were deposited into the SPLOST bank account and used for SPLOST capital projects. These are not SPLOST expenditures according to terms of the SPLOST referendum or the SPLOST budget. However, because the expenditures were made from the SPLOST account, they must be disclosed in conjunction with the SPLOST capital projects.

CITY OF OCILLA, GEORGIA
Schedule of Findings
Year Ended June 30, 2018

FINANCIAL STATEMENT FINDINGS

2018-1 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.

2018-2 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.

2018-3 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.

2018-4 FINDING **No records regarding creation or retention of low-to-moderate income jobs.**

Criteria: CDBG 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 CDBG Revolving Loans.

Effect: Failure to maintain records of jobs created or retained as a result of CDBG 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 revolving loan funds. 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 implement procedures whereby the recipients of the loans report at least quarterly the jobs retained or created.

2018-5 FINDING **Expenditures exceeded appropriations at the legal level of control.**

Criteria: The City is required to adopt a budget for each fund that may not be exceeded at fund level without approval by the City Council.

Condition: Comparison of the total expenditures/expenses in each of the City's funds to total appropriations for each fund disclosed expenditures/expenses in excess of total appropriations, as described in the Notes to the Financial Statements.

Effect: Expenditures exceeded the legally adopted budget.

Recommendation: Monitor expenditures versus budget on a monthly basis and obtain approval to amend the budget where expenditures exceed budget.

Management's Response: The City concurs with the recommendation. Monthly reviews of the budget will be performed and approval for budget amendments will be obtained.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ocilla, Georgia as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Ocilla's basic financial statements and have issued our report thereon dated December 18, 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.

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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.
Tifton, Georgia
December 18, 2018