# CITY OF OCILLA, GEORGIA

# ANNUAL FINANCIAL REPORT

# FOR THE FISCAL YEAR ENDED

# JUNE 30, 2019

**CITY OF OCILLA, GEORGIA**
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SYLVESTER, GEORGIA

# 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, 2019, 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, 2019, 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 44-45 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, the Schedule of Projects Constructed with Special Sales Tax Proceeds, as required by the Official Code of Georgia Annotated Section, 48-8-121, and the Community Development Block Grant Schedule of Budget to Actual Funds and Source and Application of Funds as described in the table of contents on pages 46-77, 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, and the Community Development Block Grant Schedule of Budget to Actual Funds and Source and Application of Funds, and 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 May 29, 2019, on our consideration of the City of Ocilla, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ocilla, Georgia's internal control over financial reporting and compliance.

Herring CPA Group P.C.

Herring CPA Group, P.C.
Tifton, GA
May 29, 2020

**CITY OF OCILLA, GEORGIA**
**Statement of Net Position**
**June 30, 2019**

| | Primary Government | | | |
|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | Component Units |
| **ASSETS** | | | | |
| Cash | $ 535,355 | $ 757,844 | $ 1,293,199 | $ 149,189 |
| Taxes receivable | 79,758 | 0 | 79,758 | 0 |
| Accounts receivable - (Net of allowance for uncollectibles ) | 28,773 | 151,434 | 180,207 | 0 |
| Due from other governments | 188,863 | 0 | 188,863 | 47,155 |
| Notes receivable | 854,148 | 0 | 854,148 | 0 |
| Internal balances | (124,094) | 124,094 | 0 | 0 |
| Inventories-material and supplies | 0 | 58,111 | 58,111 | 0 |
| Prepaid items | 38,470 | 8,600 | 47,070 | 0 |
| Grant receivable | 0 | 0 | 0 | 0 |
| Restricted assets - Cash | 4,021 | 390,337 | 394,358 | 0 |
| Capital assets - net | 1,884,774 | 3,388,767 | 5,273,541 | 0 |
| TOTAL ASSETS | 3,490,068 | 4,879,187 | 8,369,255 | 196,344 |
| **DEFERRED OUTFLOWS OF RESOURCES** | 106,240 | 32,825 | 139,065 | 0 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $ 3,596,308 | $ 4,912,012 | $ 8,508,320 | $ 196,344 |

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Statement of Net Position**
**June 30, 2019**

| | Primary Government | | | Component Units |
|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | |
| **LIABILITIES** | | | | |
| Accounts payable | $ 56,459 | $ 40,019 | $ 96,478 | $ 136,789 |
| Salaries and wages payable | 31,238 | 8,020 | 39,258 | 0 |
| Accrual Interest | 14,913 | 0 | 14,913 | 0 |
| Operating loan | 250,000 | 0 | 250,000 | 0 |
| Due to other Governmental Agencies | 12,627 | 0 | 12,627 | 0 |
| Compensated absences - current | 31,347 | 0 | 31,347 | 0 |
| Notes payable-current | 49,813 | 112,041 | 161,854 | 0 |
| Bonds payable-current | 0 | 25,449 | 25,449 | 0 |
| Landfill postclosure costs - current | 19,975 | 0 | 19,975 | 0 |
| Notes payable - non-current | 254,543 | 340,759 | 595,302 | 0 |
| Bonds payable - non-current | 0 | 759,789 | 759,789 | 0 |
| Net pension liability | 332,935 | 43,897 | 376,832 | 0 |
| Tax escrow liability | 2,132 | 0 | 2,132 | 0 |
| Compensated absences - noncurrent | 10,439 | 0 | 10,439 | 0 |
| Landfill postclosure costs noncurrent | 105,435 | 0 | 105,435 | 0 |
| Consumers' deposits payable | 0 | 79,167 | 79,167 | 0 |
| TOTAL LIABILITIES | 1,171,856 | 1,409,141 | 2,580,997 | 136,789 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Related to Pensions | $ 64,568 | $ 19,496 | $ 84,064 | $ 0 |
| Other | 0 | 25,000 | 25,000 | 0 |
| TOTAL DEFERRED INFLOWS | $ 64,568 | $ 44,496 | $ 109,064 | $ 0 |
| **NET POSITION** | | | | |
| Net investment in capital assets | $ 1,580,418 | $ 2,230,729 | $ 3,811,147 | $ 0 |
| Restricted for: | | | | |
| General Government | 4,021 | 0 | 4,021 | 0 |
| Debt Retirement | 0 | 390,337 | 390,337 | 0 |
| Public Works | 56,973 | 0 | 56,973 | 0 |
| Unrestricted | 718,472 | 837,309 | 1,555,781 | 59,555 |
| TOTAL NET POSITION | $ 2,359,884 | $ 3,458,375 | $ 5,818,259 | $ 59,555 |

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Statement Activities and Changes in Net Position**
**Year Ending June 30, 2019**

| | | Program Revenues | | |
|---|---|---|---|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | |
| Governmental Activities: | | | | |
| General government | $ 410,470 | $ 65,677 | $ 0 | $ 17,588 |
| Judicial | 67,216 | 0 | 0 | 0 |
| Public safety | 1,212,902 | 96,631 | 0 | 136,986 |
| Public works | 522,626 | 7,520 | 0 | 755,854 |
| Health/Welfare | 78,816 | 73,652 | 0 | 0 |
| Culture/ recreation | 41,970 | 0 | 0 | 1,350 |
| Economic development | 68,526 | 0 | 0 | 0 |
| Interest on long term debt | 14,913 | 0 | 0 | 0 |
| Total Governmental Activities | 2,417,439 | 243,480 | 0 | 911,778 |
| Business-Type Activities: | | | | |
| Water | 386,798 | 368,175 | 0 | 0 |
| Sewer | 381,038 | 334,718 | 0 | 0 |
| Gas | 422,728 | 554,084 | 0 | 0 |
| Sanitation | 269,954 | 258,218 | 0 | 0 |
| Total Business-Type Activities | 1,460,518 | 1,515,195 | 0 | 0 |
| Total Primary Government | $ 3,877,957 | $ 1,758,675 | $ 0 | $ 911,778 |
| Component Units | | | | |
| Downtown Development Authority | $ 4,645 | $ 0 | $ 17,000 | $ 0 |
| South Central Drug Task Force | 206,192 | 11,140 | 197,760 | 0 |
| Total Component Units | $ 210,837 | $ 11,140 | $ 214,760 | $ 0 |
| General Revenues: | | | | |
| Property taxes | | | | |
| Intangible tax | | | | |
| Franchise taxes | | | | |
| Sales tax | | | | |
| Alcoholic beverage excise taxes | | | | |
| Insurance premium taxes | | | | |
| Penalties and interest on delinquent taxes | | | | |
| Intergovernmental revenue | | | | |
| Interest | | | | |
| Other revenue | | | | |
| Transfers-Internal Activities | | | | |
| 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

**CITY OF OCILLA, GEORGIA**
**Statement Activities and Changes in Net Position**
**Year Ended June 30, 2019**

| Changes in Net Position | | | |
|---|---|---|---|
| Primary Government | | | |
| Governmental Activities | Business-Type Activities | Total | Component Units |
| $ (327,205) | $ 0 | $ (327,205) | $ 0 |
| (67,216) | 0 | (67,216) | 0 |
| (979,285) | 0 | (979,285) | 0 |
| 240,748 | 0 | 240,748 | 0 |
| (5,164) | 0 | (5,164) | 0 |
| (40,620) | 0 | (40,620) | 0 |
| (68,526) | 0 | (68,526) | 0 |
| (14,913) | 0 | (14,913) | 0 |
| (1,262,181) | 0 | (1,262,181) | 0 |
| 0 | (18,623) | (18,623) | 0 |
| 0 | (46,320) | (46,320) | 0 |
| 0 | 131,356 | 131,356 | 0 |
| 0 | (11,736) | (11,736) | 0 |
| 0 | 54,677 | 54,677 | 0 |
| (1,262,181) | 54,677 | (1,207,504) | 0 |
| | | | 12,355 |
| | | | 2,708 |
| | | | 15,063 |
| 935,370 | 0 | 935,370 | 0 |
| 2,792 | 0 | 2,792 | 0 |
| 155,358 | 0 | 155,358 | 0 |
| 232,329 | 0 | 232,329 | 0 |
| 53,625 | 0 | 53,625 | 0 |
| 243,408 | 0 | 243,408 | 0 |
| 7,661 | 0 | 7,661 | 0 |
| 183,617 | 0 | 183,617 | 0 |
| 14,773 | 1,604 | 16,377 | 0 |
| 40,617 | 0 | 40,617 | 292 |
| (588,206) | 588,206 | 0 | 0 |
| 1,281,344 | 589,810 | 1,871,154 | 292 |
| 19,163 | 644,487 | 663,650 | 15,355 |
| 2,340,721 | 2,813,888 | 5,154,609 | 44,200 |
| $ 2,359,884 | $ 3,458,375 | $ 5,818,259 | $ 59,555 |

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Balance Sheet**
**Governmental Funds**
**June 30, 2019**

| | General Fund | Capital Projects Fund | CDBG Fund | CDBG Revolving Loan Fund | Other Governmental Funds | Total |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Cash | $ 287,529 | $ 88,983 | $ 63 | $ 140,854 | $ 17,926 | $ 535,355 |
| Taxes receivable | 79,758 | 0 | 0 | | 0 | 79,758 |
| Accounts receivable | 28,773 | 0 | 0 | 0 | 0 | 28,773 |
| Due from other governments | 155,343 | 21,972 | 0 | 0 | 11,548 | 188,863 |
| Loans receivable | 0 | 0 | 0 | 854,148 | 0 | 854,148 |
| Due from other funds | 15,405 | 0 | 0 | 0 | 25,733 | 41,138 |
| Prepaid items | 38,470 | 0 | 0 | 0 | 0 | 38,470 |
| Restricted assets - Cash | 4,021 | 0 | 0 | 0 | 0 | 4,021 |
| TOTAL ASSETS | $ 609,299 | $ 110,955 | $ 63 | $ 995,002 | $ 55,207 | $ 1,770,526 |

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Balance Sheet**
**Governmental Funds**
**June 30, 2019**

| | General Fund | Capital Projects Fund | CDBG Fund | CDBG Revolving Loan Fund | Other Governmental Funds | Total |
|---|---|---|---|---|---|---|
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | $ 18,024 | $ 38,435 | $ 0 | $ 0 | $ 0 | $ 56,459 |
| Salaries and wages payable | 31,238 | 0 | 0 | 0 | 0 | 31,238 |
| Operating loan | 250,000 | 0 | 0 | 0 | 0 | 250,000 |
| Due to other Governmental Agencies | 12,627 | 0 | 0 | 0 | 0 | 12,627 |
| Due to other funds | 165,232 | 0 | 0 | 0 | 0 | 165,232 |
| Tax escrow liability | 2,132 | 0 | 0 | 0 | 0 | 2,132 |
| Total Liabilities | 479,253 | 38,435 | 0 | 0 | 0 | 517,688 |
| Deferred Inflows of Resources | 75,021 | 0 | 0 | 0 | 0 | 75,021 |

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Balance Sheet**
**Governmental Funds**
**June 30, 2019**

| | General Fund | SPLOST Fund | CDBG Fund | CDBG Revolving Loan Fund | Other Governmental Funds | Total |
|---|---|---|---|---|---|---|
| Fund Balances | | | | | | |
| Unassigned | (44,439) | 0 | 63 | 0 | 0 | (44,376) |
| Nonspendable | 38,470 | 0 | 0 | 0 | 0 | 38,470 |
| Restricted: | | | | | | |
| General Government | 4,021 | 0 | 0 | 0 | 0 | 4,021 |
| Public Works | 56,973 | 0 | 0 | 0 | 51,509 | 108,482 |
| Publice safety | 0 | 0 | 0 | 0 | 3,698 | 3,698 |
| Economic development | 0 | 72,520 | 0 | 995,002 | 0 | 1,067,522 |
| Total Fund Balances | 55,025 | 72,520 | 63 | 995,002 | 55,207 | 1,177,817 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | $ 609,299 | $ 110,955 | 63 | $ 995,002 | $ 55,207 | $ 1,770,526 |

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, 2019**

| | | |
|---|---|---|
| TOTAL FUND BALANCES - GOVERNMENTAL FUNDS | | $ 1,177,817 |
| 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. | | 1,884,774 |
| 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 | | 75,021 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | |
| Compensated absences | | (41,786) |
| Accured Interest Payable | | (14,913) |
| Note payable | | (304,356) |
| Landfill postclosure cost | | (125,410) |
| Beginning proportionate share of pension liability | $ (327,775) | |
| Proportionate share of pension liability increased in current fiscal year | (5,160) | |
| Deferred inflow of resources | (64,568) | |
| Deferred outflow of resources | 106,240 | (291,263) |
| TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES | | $ 2,359,884 |

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, 2019**

| | General Fund | SPLOST Fund | CDBG Fund | CDBG Revolving Loan Fund | Other Governmental Funds | Total |
|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | |
| Taxes | $ 1,581,041 | $ 0 | $ 0 | $ 0 | $ 0 | $ 1,581,041 |
| Licenses and permits | 42,537 | 0 | 0 | 0 | 0 | 42,537 |
| Penalties and interest on taxes | 7,661 | 0 | 0 | 0 | 0 | 7,661 |
| Intergovernmental revenues | 183,617 | 264,940 | 595,329 | 0 | 51,509 | 1,095,395 |
| Charges for services | 30,500 | 0 | 0 | 0 | 0 | 30,500 |
| Fines and forfeitures | 96,631 | 0 | 0 | 0 | 0 | 96,631 |
| Reimbursement | 73,652 | 0 | 0 | 0 | 0 | 73,652 |
| Interest income | 329 | 0 | 0 | 14,442 | 2 | 14,773 |
| Other income | 40,536 | 0 | 240 | 0 | 0 | 40,776 |
| Total Revenues | 2,056,504 | 264,940 | 595,569 | 14,442 | 51,511 | 2,982,966 |
| **EXPENDITURES** | | | | | | |
| Current: | | | | | | |
| General government | 373,066 | 17,588 | 24,177 | 0 | 0 | 414,831 |
| Judicial | 67,056 | 0 | 0 | 0 | 0 | 67,056 |
| Public safety | 1,145,671 | 8,852 | 0 | 0 | 970 | 1,155,493 |
| Public works | 310,984 | 140,553 | 81,725 | 0 | 0 | 533,262 |
| Health/ welfare | 78,816 | 0 | 0 | 0 | 0 | 78,816 |
| Culture/ recreation | 39,376 | 1,350 | 0 | 0 | 0 | 40,726 |
| Economic development | 42,626 | 0 | 0 | 25,000 | 0 | 67,626 |
| Capital Outlay | 25,298 | 128,134 | 0 | 0 | 0 | 153,432 |
| Total Expenditures | 2,082,893 | 296,477 | 105,902 | 25,000 | 970 | 2,511,242 |

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, 2019**

| | General Fund | SPLOST Fund | CDBG Fund | CDBG Revolving Loan Fund | Other Governmental Funds | Total |
|---|---|---|---|---|---|---|
| Excess (Deficiency) of revenues Over (Under) Expenditures | (26,389) | (31,537) | 489,667 | (10,558) | 50,541 | 471,724 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers out | (93,758) | (69,200) | (489,604) | 0 | 0 | (652,562) |
| Transfers in | 0 | 64,356 | 0 | 0 | 0 | 64,356 |
| Total Other Financing Sources(Uses) | (93,758) | (4,844) | (489,604) | 0 | 0 | (588,206) |
| Net Changes in Fund Balance | (120,147) | (36,381) | 63 | (10,558) | 50,541 | (116,482) |
| Fund Balance - beginning of year | 175,172 | 108,901 | 0 | 1,005,560 | 4,666 | 1,294,299 |
| FUND BALANCE - end of year | $ 55,025 | $ 72,520 | $ 63 | $ 995,002 | $ 55,207 | $ 1,177,817 |

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, 2019**

| | | |
|---|---|---|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | | $ (116,482) |
| 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 | $ 153,432 | |
| Depreciation | (64,908) | 88,524 |
| 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 | | 41,841 |
| 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 | $ (13,934) | |
| Change in long-term net pension liability | 11,802 | |
| Change in landfill postclosure cost | 22,325 | |
| Accured interest payable | (14,913) | 5,280 |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | | $ 19,163 |

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Statement of Net Position**
**Proprietary Funds**
**June 30, 2019**

| | Water Fund | Sewer Fund | Gas Fund | Sanitation Fund | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Current Assets | | | | | |
| Cash | $ 177,337 | $ 107,418 | $ 425,363 | $ 47,726 | $ 757,844 |
| Accounts receivable - net of uncollectible | 45,133 | 45,258 | 31,211 | 29,832 | 151,434 |
| Due from other funds | 0 | 30,917 | 86,239 | 139,499 | 256,655 |
| Inventories-materials and supplies | 19,009 | 29,333 | 9,769 | 0 | 58,111 |
| Prepaid items | 1,903 | 2,254 | 2,939 | 1,504 | 8,600 |
| Total Current Assets | 243,382 | 215,180 | 555,521 | 218,561 | 1,232,644 |
| Non-Current Assets | | | | | |
| Restricted assets | 214,363 | 175,974 | 0 | 0 | 390,337 |
| Capital assets-net | 1,717,281 | 1,579,659 | 65,246 | 26,581 | 3,388,767 |
| Total Non-Current Assets | 1,931,644 | 1,755,633 | 65,246 | 26,581 | 3,779,104 |
| **DEFERRED OUTFLOWS OF RESOURCES** | 8,329 | 9,380 | 11,156 | 3,960 | 32,825 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $ 2,183,355 | $ 1,980,193 | $ 631,923 | $ 249,102 | $ 5,044,573 |

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Statement of Net Position**
**Proprietary Funds**
**June 30, 2019**

| | Water Fund | Sewer Fund | Gas Fund | Sanitation Fund | Total |
|---|---|---|---|---|---|
| **LIABILITIES** | | | | | |
| Current Liabilities | | | | | |
| Accounts payable | $ 10,988 | $ 2,390 | $ 4,919 | $ 12,958 | $ 31,255 |
| Salaries and wages payable | 1,664 | 2,337 | 2,531 | 1,488 | 8,020 |
| Employee benefits | 2,304 | 0 | 4,922 | 612 | 7,838 |
| Accrued Sales Tax | 0 | 0 | 926 | 0 | 926 |
| Due to other funds | 15,405 | 0 | 0 | 117,156 | 132,561 |
| Notes Payable - current | 22,892 | 9,149 | 0 | 80,000 | 112,041 |
| Bonds payable - current | 0 | 25,449 | 0 | 0 | 25,449 |
| Consumers' deposits payable | 68,517 | 0 | 10,650 | 0 | 79,167 |
| Total Current Liabilities | 121,770 | 39,325 | 23,948 | 212,214 | 397,257 |
| Long-Term Liabilities | | | | | |
| Notes payable - noncurrent | 307,431 | 33,328 | 0 | 0 | 340,759 |
| Bonds payable - non-current | 0 | 759,789 | 0 | 0 | 759,789 |
| Net pension liability | 9,325 | 11,546 | 7,382 | 15,644 | 43,897 |
| Total Long-Term Liabilities | 316,756 | 804,663 | 7,382 | 15,644 | 1,144,445 |
| TOTAL LIABILITIES | 438,526 | 843,988 | 31,330 | 227,858 | 1,541,702 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Related to Pensions | 4,138 | 5,088 | 6,692 | 3,578 | 19,496 |
| Other | 0 | 25,000 | 0 | 0 | 25,000 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | $ 4,138 | $ 30,088 | $ 6,692 | $ 3,578 | $ 44,496 |

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Statement of Net Position**
**Proprietary Funds**
**June 30, 2019**

| | Water Fund | Sewer Fund | Gas Fund | Sanitation Fund | Total |
|---|---|---|---|---|---|
| **NET POSITION** | | | | | |
| Net investment in capital assets | 1,386,958 | 751,944 | 65,246 | 26,581 | 2,230,729 |
| Restricted-for debt retirement | 214,363 | 175,974 | 0 | 0 | 390,337 |
| Unrestricted | 139,370 | 178,199 | 528,655 | (8,915) | 837,309 |
| TOTAL NET POSITION | $ 1,740,691 | $ 1,106,117 | $ 593,901 | $ 17,666 | 3,458,375 |

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, 2019**

| | Water Fund | Sewer Fund | Gas Fund | Sanitation Fund | Total |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Charges for services | $ 348,269 | $ 331,402 | $ 553,886 | $ 258,218 | $ 1,491,775 |
| Miscellaneous | 19,906 | 3,316 | 198 | 0 | 23,420 |
| TOTAL OPERATING REVENUES | 368,175 | 334,718 | 554,084 | 258,218 | 1,515,195 |
| **OPERATING EXPENSES** | | | | | |
| Personal services | 59,682 | 73,432 | 96,588 | 51,647 | 281,349 |
| Group insurance | 8,942 | 4,854 | 15,166 | 3,696 | 32,658 |
| Social security and medicare contributions | 4,255 | 5,657 | 6,893 | 3,592 | 20,397 |
| Retirement contributions | 5,040 | 929 | 0 | 15,262 | 21,231 |
| Workers' compensation | 2,673 | 1,495 | 1,600 | 2,163 | 7,931 |
| Professional services | 35,540 | 5,150 | 14,235 | 0 | 54,925 |
| Repairs and maintenance of system | 40,190 | 1,717 | 0 | 10,215 | 52,122 |
| Technical | 0 | 10,308 | 19,114 | 0 | 29,422 |
| Chemicals | 36,451 | 42,978 | 0 | 0 | 79,429 |
| Repair and maintenance | 10,805 | 3,531 | 4,884 | 0 | 19,220 |
| Rental of uniforms | 0 | 0 | 15,570 | 0 | 15,570 |
| Insurance | 12,920 | 4,980 | 4,980 | 0 | 22,880 |
| Communications | 1,289 | 0 | 0 | 0 | 1,289 |
| Bank charges | 15,765 | 0 | 0 | 448 | 16,213 |
| Travel | 1,666 | 0 | 2,152 | 323 | 4,141 |
| General supplies and materials | 12,644 | 9,266 | 4,412 | 0 | 26,322 |
| Energy | 29,586 | 62,250 | 6,682 | 4,085 | 102,603 |
| Contracted garbage service | 0 | 0 | 0 | 168,473 | 168,473 |
| Inventory purchased for resale | 0 | 0 | 205,485 | 0 | 205,485 |
| Other supplies | 0 | 1,840 | 0 | 1,661 | 3,501 |
| Depreciation | 94,174 | 104,353 | 8,164 | 2,954 | 209,645 |
| Bad Debt | 9,123 | 11,444 | 16,803 | 5,435 | 42,805 |
| TOTAL OPERATING EXPENSES | 380,745 | 344,184 | 422,728 | 269,954 | 1,417,611 |

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, 2019**

| | Water Fund | Sewer Fund | Gas Fund | Sanitation Fund | Total |
|---|---|---|---|---|---|
| OPERATING INCOME (LOSS) | (12,570) | (9,466) | 131,356 | (11,736) | 97,584 |
| **NON-OPERATING REVENUES (EXPENSES)** | | | | | |
| Transfers in | 126,377 | 432,427 | 0 | 29,402 | 588,206 |
| Interest revenues | 1,467 | 137 | 0 | 0 | 1,604 |
| Interest expense | (4,803) | (36,854) | 0 | 0 | (41,657) |
| Fiscal agent's fees | (1,250) | 0 | 0 | 0 | (1,250) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 121,791 | 395,710 | 0 | 29,402 | 546,903 |
| CHANGE IN NET POSITION | 109,221 | 386,244 | 131,356 | 17,666 | 644,487 |
| Net Position - beginning of year | 1,631,470 | 719,873 | 462,545 | 0 | 2,813,888 |
| NET POSITION - end of year | $ 1,740,691 | $ 1,106,117 | $ 593,901 | $ 17,666 | 3,458,375 |

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Statement of Cash Flows**
**Proprietary Funds**
**Year Ended June 30, 2019**

| | Water Fund | Sewer Fund | Gas Fund | Sanitation Fund | Total |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Cash received from customers | $ 365,654 | $ 331,104 | $ 571,086 | $ 228,386 | $ 1,496,230 |
| Cash payments for goods and services | (204,343) | (185,646) | (419,655) | (208,881) | (1,018,525) |
| Cash payment to employees | (59,682) | (73,432) | (96,588) | (51,647) | (281,349) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 101,629 | 72,026 | 54,843 | $ (32,142) | $ 196,356 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | | |
| Intergovernmental revenue | 0 | 0 | 0 | 0 | 0 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | |
| Purchase of capital assets | (137,857) | (432,427) | (12,500) | (29,535) | (612,319) |
| Transfers In | 126,377 | 432,427 | 0 | 29,403 | 588,207 |
| Principal payments on debt | (67,721) | (28,204) | 0 | 0 | (95,925) |
| Interest Paid | (4,803) | (36,854) | 0 | 0 | (41,657) |
| Agents Fees | (1,250) | 0 | 0 | 0 | (1,250) |
| Loan proceeds | 0 | 23,500 | 0 | 80,000 | 103,500 |
| NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | (85,254) | (41,558) | (12,500) | 79,868 | (59,444) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Interest on investments | 1,467 | 137 | 0 | 0 | 1,604 |
| Net Change in Cash and Cash Equivalents | 17,842 | 30,605 | 42,343 | 47,726 | 138,516 |
| Cash and cash equivalents - beginning of year | 373,858 | 252,787 | 383,020 | 0 | 1,009,665 |
| CASH AND CASH EQUIVALENTS - end of year | $ 391,700 | $ 283,392 | $ 425,363 | $ 47,726 | $ 1,148,181 |

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Statement of Cash Flows**
**Proprietary Funds**
**Year Ended June 30, 2019**

| | Water Fund | Sewer Fund | Gas Fund | Sanitation Fund | Total |
|---|---|---|---|---|---|
| Reported as: | | | | | |
| Cash | $ 177,337 | $ 107,418 | $ 425,363 | $ 47,726 | $ 757,844 |
| Restricted Assets | 214,363 | 175,974 | 0 | 0 | 390,337 |
| | $ 391,700 | $ 283,392 | $ 425,363 | $ 47,726 | $ 1,148,181 |

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Statement of Cash Flows**
**Proprietary Funds**
**Year Ended June 30, 2019**

| | Water Fund | Sewer Fund | Gas Fund | Sanitation Fund | Total |
|---|---|---|---|---|---|
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities** | | | | | |
| Operating income (loss) | $ (12,570) | $ (9,466) | $ 131,356 | $ (11,737) | $ 97,583 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation | 94,174 | 104,353 | 8,164 | 2,954 | 209,645 |
| Changes in Assets and Liabilities: | | | | | |
| (Increase) Decrease in accounts receivable | (2,521) | (3,614) | 17,022 | (29,832) | (18,945) |
| (Increase) Decrease in due from other funds | 0 | (30,917) | (86,239) | (139,499) | (256,655) |
| (Increase) Decrease in prepaid items | 557 | (1,416) | (1,019) | (1,504) | (3,382) |
| Increase (Decrease) in accounts payable | 2,006 | (4,078) | (4,833) | 12,958 | 6,053 |
| Increase (Decrease) in sales tax payable | 0 | 0 | (31) | 0 | (31) |
| Increase (Decrease) in net pension liability | (861) | (1,059) | (1,392) | 15,644 | 12,332 |
| Increase (Decrease) in employer's share benefits | (24) | (4,225) | 1,446 | 612 | (2,191) |
| Increase (Decrease) in salaries and wages payable | 0 | 459 | 80 | 1,488 | 2,027 |
| Increase (Decrease) in intergovernmental rec. | 0 | 0 | 0 | 0 | 0 |
| Increase (Decrease) in due to other funds | 14,999 | 0 | 0 | 117,156 | 132,155 |
| Increase (Decrease) in customers' deposits | 11,838 | 0 | (300) | 0 | 11,538 |
| Increase (Decrease) in deferred inflows of resources | (5,792) | 27,184 | 2,265 | 3,578 | 27,235 |
| (Increase) Decrease in deferred outflows of resources | (177) | (5,195) | (11,676) | (3,960) | (21,008) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | $ 101,629 | $ 72,026 | $ 54,843 | $ (32,142) | $ 196,356 |

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Statement of Fiduciary Assets and Liabilities**
**Agency Fund**
**June 30, 2019**

| | Industrial Development Authority |
|---|---|
| **ASSETS** | |
| Cash | $ 33,332 |
| Due from other Governmental Agencies | 227 |
| TOTAL ASSETS | $ 33,559 |
| **LIABILITIES** | |
| Due to other Governmental Agencies | $ 33,559 |
| TOTAL LIABILITIES | $ 33,559 |

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, component units 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 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 Fund* – The CDBG Fund is used to account for projects funded with Community Development Block Grant proceeds. These projects include water and sewer system improvements and street and drainage improvements. This fund is a capital project 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.

*Sanitary Fund.* This fund accounts for the operation, maintenance, and development of the City's sanitation 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 years 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, 2019 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 17 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, 2019 are presented below:

| General Fund | Actual | Budget | Excess |
|---|---|---|---|
| General Government | $ 398,361 | $ 397,449 | $ 915 |
| Highway and Streets | $ 310,984 | $ 168,100 | $ 138,326 |
| Nutrition | $ 44,818 | $ 42,931 | $ 1,887 |
| Special Events | $ 7,223 | $ 5,000 | $ 2,273 |

Excess expenditures over appropriations were a result of the following:

- General Government – land purchased not in budget
- Highways and Streets – special project street repairs exceeded budget
- Nutrition – operating supply purchases exceeded budget
- Special Events – held additional events not in budget

## NOTE 3 – DEPOSITS AND INVESTMENTS

Total cash and cash equivalents as of June 30, 2019 consisted of the following:

| | Government-wide Statement of Net Position | Fiduciary Funds Statement of Assets and Liabilities |
|---|---|---|
| Cash on Hand | $ 1,000 | $ 0 |
| Bank Deposits | 1,686,557 | 33,332 |
| Total | $ 1,687,557 | $ 33,332 |

## NOTE 4 – RECEIVABLES

Receivables at June 30, 2019 consist of the following:

| | General | SPLOST Fund | CDBG Revolving Loan Fund | Transportation SPLOST Fund | Proprietary | Total |
|---|---|---|---|---|---|---|
| Taxes | $ 79,758 | $ 0 | $ 0 | $ 0 | $ 0 | $ 79,758 |
| Accounts | 28,773 | 0 | 0 | 0 | 201,139 | 229,912 |
| Due from other Govts | 155,343 | 21,972 | 0 | 11,548 | 0 | 188,863 |
| Notes | 0 | 0 | 854,148 | 0 | 0 | 854,148 |
| Internal Balances | 15,405 | 0 | 0 | 25,733 | 256,655 | 297,793 |
| Gross Receivables | 279,279 | 21,972 | 854,148 | 37,281 | 457,794 | 1,650,474 |
| Less allowance for uncollectibles | 0 | 0 | 0 | 0 | (49,705) | (49,705) |
| | $ 279,279 | $ 21,972 | $ 854,148 | $ 37,281 | $ 408,089 | $1,600,769 |

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, 2019 was as follows:

| | Beginning Balances | Increase | Decrease | Ending Balances |
|---|---|---|---|---|
| **Governmental Activities** | | | | |
| Capital assets not being depreciated: | | | | |
| Land | $ 177,261 | $ 25,298 | $ 0 | $ 202,559 |
| Improvements and infrastructure | 818,223 | 88,171 | 0 | 906,394 |
| Total capital assets not being depreciated | 995,484 | 113,469 | 0 | 1,108,953 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 336,505 | 0 | 0 | 336,505 |
| Machinery and equipment | 1,218,280 | 39,963 | 15,000 | 1,243,243 |
| Total capital assets being depreciated | 1,554,785 | 39,963 | 15,000 | 1,579,748 |
| Less accumulated depreciation: | | | | |
| Buildings | 140,384 | 6,535 | 0 | 146,919 |
| Machinery and equipment | 613,635 | 58,373 | 15,000 | 657,008 |
| Total accumulated depreciation | 754,019 | 64,908 | 15,000 | 803,927 |
| Net capital assets being depreciated | 800,766 | (24,945) | 0 | 775,821 |
| Capital Assets, Net | $1,796,250 | $ 88,524 | $ 0 | $1,884,774 |

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

| | |
|---|---|
| General Government | $ 2,318 |
| Public Safety | 49,207 |
| Public Works | 12,138 |
| Culture and Recreation | 1,245 |
| Total | $ 64,908 |

| | 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 | 6,957,162 | 558,804 | 0 | 7,515,966 |
| Machinery and equipment | 1,261,188 | 53,515 | 0 | 1,314,703 |
| Total capital assets being depreciated | 8,376,202 | 612,319 | 0 | 8,988,521 |
| Less accumulated depreciation: | | | | |
| Buildings | 111,225 | 3,240 | 0 | 114,465 |
| Improvements | 4,601,355 | 195,536 | 0 | 4,796,891 |
| Machinery and equipment | 988,277 | 10,869 | 0 | 999,146 |
| Total accumulated depreciation | 5,700,857 | 209,645 | 0 | 5,910,502 |
| Net capital assets being depreciated | 2,675,345 | 402,674 | 0 | 3,078,019 |
| Capital Assets, Net | $2,986,093 | $402,674 | $ 0 | $3,388,767 |

## NOTE 6 – INTERFUND BALANCES

Internal balances consist of transactions for operating purposes. The composition of internal balances as of June 30, 2019 is as follows:

| Due To | Due From | Amount |
|---|---|---|
| General | Water | $ 15,405 |
| TSPLOST | General | 25,733 |
| Sanitation | General | 139,499 |
| Sewer | Sanitation | 30,917 |
| Gas | Sanitation | 86,239 |
| Total | | $ 297,793 |

## NOTE 8 – LINE OF CREDIT

On March 28, 2019, the city entered into an agreement with Planters First Bank for a $300,000 line of credit. At June 30, 2019, the city had been advanced $250,000. The line of credit matures December 31, 2019 and is due in full plus interest at 3.55%.

## NOTE 7 – RESTRICTED ASSETS

Restricted assets consists of cash restricted for the following purposes:

| | |
|---|---|
| General fund - Tax escrow | $ 4,021 |
| Water fund - Debt retirement | 214,363 |
| Sewer fund - Debt retirement | 175,974 |
| Total restricted assets | $ 394,358 |

## NOTE 8 – LINE OF CREDIT

On March 28, 2019, the city entered into an agreement with Planters First Bank for a $300,000 line of credit. At June 30, 2019, the city had been advanced $250,000. The line of credit matures December 31, 2019 and is due in full plus interest at 3.55%.

## NOTE 9 – 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, 2019:

| | Beginning Balance | Increases | Decreases | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities** | | | | | |
| Compensated absences | $ 27,861 | $ 34,821 | $ 20,896 | $ 41,786 | $ 31,347 |
| Note payable | 304,356 | 0 | 0 | 304,356 | 49,813 |
| Landfill post-closure cost | 147,735 | 0 | 22,325 | 125,410 | 19,975 |
| Total Governmental Activities | $ 479,952 | $ 34,821 | $ 43,221 | $ 471,552 | $ 101,135 |

Compensated absences are from the General Fund.

| | | | | | |
|---|---|---|---|---|---|
| **Business-Type Activities** | | | | | |
| Notes payable | $ 375,895 | $ 103,500 | $ 26,594 | $ 452,801 | $ 112,041 |
| Bonds payable | 854,569 | 0 | 69,331 | 785,238 | 25,449 |
| Total Business-Type Activities | $ 1,230,464 | $ 103,500 | $ 95,925 | $ 1,238,039 | $ 137,490 |

Compensated absences are paid from the Water and Sewer Funds, and are considered current liabilities.

### *B. NOTES PAYABLE*

The City had the following notes payable as of June 30, 2019:

**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, 2019:

| Year Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2020 | 49,813 | 28,635 | 78,448 |
| 2021 | 26,752 | 12,473 | 39,225 |
| 2022 | 28,063 | 11,162 | 39,225 |
| 2023 | 29,438 | 9,787 | 39,225 |
| 2024 | 30,880 | 8,345 | 39,225 |
| 2025-2028 | 139,410 | 17,485 | 156,895 |
| 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 - $330,323

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 $435.68, including interest at 4.756%, beginning July 27, 2018. Principal balance - $18,978

United State Department of Agriculture dated June 12, 2019 for $23,500 for the purchases of sewer equipment. Loan is to be repaid in 5 annual payments of $5,261 including interest at 3.875%. Principal balance - $23,500

Wilcox County State Bank dated May 10, 2019 for $80,000 for infrastructure improvements. Loan is due December 31, 2019 plus interest at 4.03%. Principal balance - $80,000

The following schedule represents the annual requirements to amortize notes payable outstanding as of June 30, 2019:

| Year Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2020 | 112,041 | 6,251 | 118,292 |
| 2021 | 32,237 | 3,543 | 35,780 |
| 2022 | 32,813 | 2,867 | 35,680 |
| 2023 | 32,932 | 2,373 | 35,305 |
| 2024 | 28,650 | 1,902 | 30,552 |
| 2025-2033 | 214,128 | 7,171 | 221,299 |
| Total | $ 452,801 | $ 24,107 | $ 476,908 |

### *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%. The bonds were paid in full at June 30, 2019.

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% ($785,238 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 ensuring the System as required by the Series 2003 Ordinance.

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.

At June 30, 2019, the City was in compliance with all material terms of the board ordinance.

The debt service requirements at June 30, 2019 are as follows:

| Year Ending | Principal June 30 | Interest Due | Total Requirement |
|---|---|---|---|
| 2020 | $ 25,449 | $ 34,815 | $ 60,264 |
| 2021 | 26,618 | 33,646 | 60,264 |
| 2022 | 27,841 | 32,423 | 60,264 |
| 2023 | 29,120 | 31,144 | 60,264 |
| 2024 | 30,458 | 29,806 | 60,264 |
| 2025-2029 | 174,607 | 126,713 | 301,320 |
| 2030-2034 | 218,573 | 82,747 | 301,320 |
| 2035-2039 | 252,572 | 23,638 | 276,210 |
| Total | $785,238 | $394,932 | $1,180,170 |

**NOTE 10 – DEFERRED COMPENSATION PLAN**

The City of Ocilla offers its employees a deferred compensation, defined contribution plan created in accordance with Internal Revenue Code Section 457. The City of Ocilla Group Plan is administered for the City by Nationwide Retirement Solutions and was established through local legislation of the City Council. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. Total employee contributions to the plan during the year were $5,301. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**NOTE 11 – 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, 2018 was $1,026,536. 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 | 16 |
| Inactive employees that are entitled to but not yet receiving benefits | 9 |
| Active employees | 32 |
| Total covered employees | 57 |

***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, 2019, the minimum funding requirement is $65,305, or 5.38% of covered payroll. This amount consists of (a) normal cost of $29,303, (b) administrative expense of $7,785 (c) amortization of the unfunded actuarial accrued liability of $25,898, and (d) fiscal year adjustment of $2,319. 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, 2019, the City reported a liability of $376,832 as its net pension liability. The net pension liability was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The City's net pension liability was based on the City's long-term contributions to the pension, actuarially determined at January 1, 2019.

The following schedule reconciles the differences between the beginning and ending net pension liability for the year ended June 30, 2019.

| **Changes in the net pension liability** | Total Pension Liability (TPL) | Fiduciary Net Position (FNP) | Net Pension Liability |
|---|---|---|---|
| Balances at September 30, 2017* | $ 1,734,012 | $ 1,374,672 | $ 359,340 |
| Changes for the year: | | | |
| Service cost | 21,194 | 0 | 21,194 |
| Interest | 126,853 | 0 | 126,853 |
| Differences between expected & actual experience | 50,677 | 0 | 50,677 |
| Contributions – Employer | 0 | 55,741 | (55,741) |
| Net investment income | 0 | 133,400 | (133,400) |
| Benefit payments, including refunds of employee contributions | (127,674) | (127,674) | 0 |
| Administrative expense | | (7,909) | 7.909 |
| Other | 0 | 0 | 0 |
| Net changes | 71,050 | 53,558 | 17,492 |
| Balances at September 30, 2018** | $ 1,805,062 | $ 1,428,230 | $ 376,832 |

**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.*

***Entry Age normal liabilities calculated using ages and service amounts as of January 1, 2019 are used to measure TPL as of September 30, 2018. The balances as of September 30, 2018 constitute measurements of the NPL for the fiscal year ending June 30, 2019.*

***Pension expense*** – For the year ended June 30, 2019, the City recognized pension expense of $56,503. 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, 2019, 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 | $ 78,263 | $ 0 |
| Changes of assumptions | 14,767 | (2,890) |
| Net difference between projected and actual earnings on pension plan investments | 0 | (81,174) |
| City contributions subsequent to the measurement date | 46,035 | 0 |
| Total | $ 139,065 | $ (84,064) |

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.

$46,035 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, 2019. 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 |
|---|---|
| 2020 | 9,623 |
| 2021 | (8,222) |
| 2022 | (8,058) |
| 2023 | 7,178 |
| Thereafter 2024 | 8,446 |
| Total | $ (8,967) |

***Actuarial methods and assumptions*** – The total pension liability in the January 1, 2019 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, 2019 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, 2018 are summarized in the following table:

| Asset class | Target allocation | Long-term expected real rate of return |
|---|---|---|
| Domestic equity | 45% | 6.40% |
| International equity | 20% | 7.40% |
| Real estate | 10% | 5.10% |
| Global fixed income | 5% | 3.03% |
| Domestic fixed income | 20% | 1.75% |
| 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 | $604,141 | $376,832 | $187,682 |

## NOTE 12 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

At June 30, 2019, deferred inflows not related to pensions consists of the following:

| Fund | Amount |
|---|---|
| General-property tax revenue not collected within 60 days of year end | $ 75,021 |
| Sewer-grant proceeds received and not expended | $ 25,000 |

## NOTE 13 – 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 $1.65 per 1,000 gallons. Also, there will be an additional charge of $10.00 residential and commercial for service of customers outside of the city.

**Sewer Rate** – The City charges a minimum fee based on water consumption of 0 to 2,000 gallons of $12.75 for residential and commercial consumers. Water consumption above 2,000 Gallons will be an additional

charge of $1.70 per 1,000 gallons. Also, there will be an additional charge of $10.00 commercial and $8.00 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 $19.00 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 14 – 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 $4,658 to the Commission for the year ended June 30, 2019. 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 $94,614 plus interest at 5.75% at June 30, 2019. 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 15 – 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 16 – 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, 2019 were $22,325. 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 ($125,410) for the remaining 6 years (2025) of required post closure care. The annual cost is expected to be approximately $19,975. This cost is based on 2017 dollars with no inflation adjustment.

## NOTE 17 – REVOLVING LOAN FUND

There are 13 outstanding loans in the revolving loan fund totaling $854,148 at June 30,2019. During the fiscal year, principal payments totaling $102,002 were collected. In addition, delinquent loans totaling $25,000 were determined to be uncollectible and were written off during the year ended June 30, 2019.

## NOTE 18 – SUBSEQUENT EVENTS

In preparing these financial statements, the City of Ocilla has evaluated events and transactions for potential recognition or disclosure through May 29, 2019, 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, 2019**

| | Budget | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| **REVENUES** | | | | |
| Advalorem taxes | $ 767,570 | $ 777,560 | $ 753,776 | $ (23,784) |
| Mobile home and motor vehicle | 126,360 | 126,360 | 112,648 | (13,712) |
| Intangible tax | 2,000 | 2,000 | 2,792 | 792 |
| Real estate transfer tax | 1,000 | 1,000 | 480 | (520) |
| Franchise taxes | 187,000 | 187,000 | 155,358 | (31,642) |
| Local option sales and use taxes | 280,000 | 280,000 | 232,329 | (47,671) |
| Alcoholic beverage excise taxes | 66,500 | 66,500 | 53,625 | (12,875) |
| Insurance premium taxes | 225,000 | 243,408 | 243,408 | 0 |
| Penalties and interest on taxes | 12,000 | 12,000 | 7,661 | (4,339) |
| Business licenses | 47,000 | 47,000 | 42,377 | (4,623) |
| Regulatory fees-building structures and equipment | 1,000 | 1,000 | 160 | (840) |
| Payment in lieu of taxes | 23,000 | 26,625 | 26,625 | 0 |
| Charges for services-cemetery | 5,700 | 9,000 | 7,520 | (1,480) |
| Charges for services-bad check fees | 1,000 | 1,000 | 0 | (1,000) |
| Fines and forfeitures | 90,000 | 90,000 | 96,631 | 6,631 |
| Interest income | 1,000 | 1,000 | 329 | (671) |
| Nutrition reimbursement | 31,000 | 31,000 | 73,652 | 42,652 |
| Miscellaneous revenue | 81,084 | 141,174 | 101,211 | (39,963) |
| Rents and royalties | 14,000 | 14,000 | 22,980 | 8,980 |
| DOT LMIG Funds | 0 | 0 | 122,943 | 122,943 |
| TOTAL REVENUES | 1,962,214 | 2,057,627 | 2,056,505 | (1,122) |
| **EXPENDITURES** | | | | |
| General government | 367,699 | 397,449 | 398,364 | 915 |
| Judicial | 68,017 | 68,017 | 67,056 | (961) |
| Public safety | 1,256,280 | 1,257,110 | 1,145,671 | (111,439) |
| Public works | 137,800 | 168,100 | 310,984 | 142,884 |
| Health/ welfare | 52,931 | 78,431 | 78,816 | 385 |
| Culture/ recreation | 47,000 | 51,000 | 39,376 | (11,624) |
| Economic development | 35,000 | 40,353 | 42,626 | 2,273 |
| TOTAL EXPENDITURES | 1,964,727 | 2,060,460 | 2,082,893 | 22,433 |
| Deficiency of Revenues Under Expenditures | (2,513) | (2,833) | (26,388) | (23,555) |

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, 2019**

| | Budget | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers out | $ 0 | $ 0 | $ (93,759) | $ (93,759) |
| TOTAL OTHER FINANCING SOURCES (USES) | 0 | 0 | (93,759) | (93,759) |
| NET CHANGE IN FUND BALANCE | $ (2,513) | $ (2,833) | $ (120,147) | $ (117,314) |
| Fund Balance - beginning of year | | | $ 175,172 | |
| FUND BALANCE - end of year | | | $ 55,025 | |

The accompanying notes are an integral part of this statement.

# SUPPLEMENTARY INFORMATION

CITY OF OCILLA, GEORGIA
Balance Sheet
General Fund
June 30, 2019

**ASSETS**

| | | |
|---|---|---|
| Cash | $ 287,529 | |
| Taxes receivable | 79,758 | |
| Accounts receivable | 28,773 | |
| Due from other governments | 155,343 | |
| Due from other funds | 15,405 | |
| Restricted asset | 4,021 | |
| Prepaid items | 38,470 | |
| TOTAL ASSETS | | $ 609,299 |

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES**

| | | |
|---|---|---|
| Liabilities | | |
| Accounts payable | $ 17,206 | |
| Salaries and wages payable | 31,238 | |
| Payroll deductions payable | 818 | |
| Tax escrow liability | 2,132 | |
| Operating loan | 250,000 | |
| Due to other Governmental Agencies | 12,627 | |
| Due to other funds | 165,232 | |
| Total Liabilities | | 479,253 |
| Deferred Inflows of Resources | | |
| Unearned revenue - property taxes | | 75,021 |
| Fund Balances | | |
| Fund balance - unassigned | (44,439) | |
| Restricted - General Government | 4,021 | |
| Public Works | 56,973 | |
| Nonspendable fund balance | 38,470 | |
| Total Fund Balances | | 55,025 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | $ 609,299 |

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Schedule of Expenditures by Department - Budge and Actual**
**General Fund**
**Year Ended June 30, 2019**

| | Budget | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| **EXPENDITURES** | | | | |
| GENERAL GOVERNMENT | | | | |
| Legislative | | | | |
| Personnel services-salaries and wages | $ 32,400 | $ 32,400 | $ 32,000 | $ (400) |
| Travel | 10,000 | 15,000 | 17,780 | 2,780 |
| General administration | | | | |
| Personnel services-salaries and wages | 76,204 | 93,200 | 98,028 | 4,828 |
| Employee insurance | 7,128 | 8,650 | 8,665 | 15 |
| Social security and medicare contributions | 7,758 | 9,500 | 8,773 | (727) |
| Retirement contributions | 35,000 | 46,380 | 46,380 | 0 |
| Workers' compensation | 45,544 | 57,500 | 52,497 | (5,003) |
| Professional services | 26,000 | 40,490 | 34,096 | (6,394) |
| Technical services | 45,765 | 7,580 | 0 | (7,580) |
| Repairs and maintenance | 2,500 | 2,000 | 1,672 | (328) |
| Postage | 3,600 | 3,600 | 2,478 | (1,122) |
| Insurance | 10,000 | 7,500 | 7,544 | 44 |
| Communications | 7,000 | 11,000 | 11,658 | 658 |
| Travel | 3,000 | 4,000 | 774 | (3,226) |
| Dues and fees | 10,800 | 10,800 | 9,099 | (1,701) |
| Cemetary Expense | 8,000 | 8,000 | 3,582 | (4,418) |
| General supplies and materials | 29,000 | 27,500 | 27,732 | 232 |
| Utilities | 8,000 | 9,000 | 6,959 | (2,041) |
| Capital outlays | 0 | 0 | 25,298 | 25,298 |
| Debt service - interest | 0 | 3,349 | 3,349 | 0 |
| Total General Government | 367,699 | 397,449 | 398,364 | 915 |
| JUDICIAL | | | | |
| Personnel services-salaries and wages | 38,912 | 38,912 | 30,880 | (8,032) |
| Employee Insurance | 7,128 | 7,128 | 5,399 | (1,729) |
| Social security and medicare contributions | 2,977 | 2,977 | 2,268 | (709) |
| Fines and forfeitures addon fees | 15,000 | 15,000 | 27,309 | 12,309 |
| Travel and Training | 2,000 | 2,000 | 902 | (1,098) |
| General supplies and materials | 2,000 | 2,000 | 298 | (1,702) |
| Total Judicial | 68,017 | 68,017 | 67,056 | (961) |

(Continued on next page)

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Schedule of Expenditures by Department - Budge and Actual**
**General Fund**
**Year Ended June 30, 2019**

| | Budget | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| PUBLIC SAFETY | | | | |
| Police | | | | |
| Personnel services-salaries and wages | $ 712,674 | $ 712,674 | $ 661,669 | $ (51,005) |
| Employee insurance | 78,408 | 78,408 | 70,222 | (8,186) |
| Social security and medicare contributions | 58,420 | 58,420 | 47,569 | (10,851) |
| Repairs and maintenance | 20,000 | 22,000 | 14,575 | (7,425) |
| Utilities | 10,000 | 10,000 | 10,077 | 77 |
| Rentals - uniforms | 6,000 | 6,000 | 5,873 | (127) |
| Communications | 14,000 | 14,000 | 10,874 | (3,126) |
| Travel | 10,000 | 15,000 | 16,184 | 1,184 |
| General supplies and materials | 52,500 | 41,500 | 40,727 | (773) |
| Gas and oil | 32,000 | 32,000 | 31,758 | (242) |
| Insurance | 10,000 | 10,000 | 10,200 | 200 |
| Matches for grants | 6,440 | 6,440 | 6,439 | (1) |
| Custody of prisoners | 2,000 | 2,000 | 372 | (1,628) |
| Total Police | 1,012,442 | 1,008,442 | 926,539 | (81,903) |
| Fire | | | | |
| Personnel services-salaries and wages | 162,985 | 162,985 | 154,649 | (8,336) |
| Employee insurance | 21,384 | 21,384 | 18,359 | (3,025) |
| Social security and medicare contributions | 12,469 | 12,469 | 11,196 | (1,273) |
| Repairs and maintenance | 12,000 | 12,000 | 4,919 | (7,081) |
| Rentals - uniforms | 4,000 | 4,000 | 420 | (3,580) |
| Communications | 5,000 | 9,000 | 7,595 | (1,405) |
| Travel | 4,000 | 4,000 | 2,209 | (1,791) |
| Utilities | 4,000 | 6,000 | 6,163 | 163 |
| Insurance | 4,000 | 2,830 | 6,510 | 3,680 |
| General supplies and materials | 10,000 | 10,000 | 4,438 | (5,562) |
| Gas and oil | 4,000 | 4,000 | 2,674 | (1,326) |
| Total Fire | 243,838 | 248,668 | 219,132 | (29,536) |
| Total Public Safety | 1,256,280 | 1,257,110 | 1,145,671 | (111,439) |

(Continued on next page)

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Schedule of Expenditures by Department - Budge and Actual**
**General Fund**
**Year Ended June 30, 2019**

| | Budget | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| PUBLIC WORKS | | | | |
| Highways and streets | | | | |
| Repairs and maintenance | $ 7,500 | $ 7,500 | $ 7,177 | $ (323) |
| Cemetary maintenance | 0 | 30,000 | 33,950 | 3,950 |
| Rentals - uniforms | 0 | 0 | 0 | 0 |
| Education and training | 0 | 0 | 0 | 0 |
| General supplies and materials | 15,000 | 13,000 | 11,122 | (1,878) |
| Travel and Training | 0 | 1,000 | 2,403 | 1,403 |
| Utilities | 1,600 | 2,600 | 2,369 | (231) |
| Insurance | 6,700 | 2,000 | 3,740 | 1,740 |
| Street repair and maintenance | 20,000 | 30,000 | 163,773 | 133,773 |
| Street lighting | 79,500 | 79,500 | 86,450 | 2,392 |
| Miscellaneous | 7,500 | 2,500 | 0 | (2,500) |
| Total Highways and Streets | 137,800 | 168,100 | 310,984 | 138,326 |
| Total Public Works | 137,800 | 168,100 | 310,984 | 138,326 |
| HEALTH AND WELFARE | | | | |
| Neighborhood center | | | | |
| Operating expenditures | 10,000 | 20,000 | 18,866 | (1,134) |
| Community Development | 0 | 15,500 | 15,132 | (368) |
| Nutrition | | | | |
| Personnel services-salaries and wages | 24,931 | 24,931 | 24,942 | 11 |
| Operating expenditures | 18,000 | 18,000 | 19,876 | 1,876 |
| Total Health and Welfare | 52,931 | 78,431 | 78,816 | 385 |

(Continued on next page)

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Schedule of Expenditures by Department - Budge and Actual**
**General Fund**
**Year Ended June 30, 2019**

| | Budget | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| CULTURE AND RECREATION | | | | |
| Other recreational facilities | $ 30,000 | $ 30,000 | $ 20,954 | $ (9,046) |
| Library | 12,000 | 12,000 | 11,906 | (94) |
| Parks | 5,000 | 9,000 | 6,516 | (2,484) |
| Total Culture and Recreation | 47,000 | 51,000 | 39,376 | (11,624) |
| ECONOMIC DEVELOPMENT | | | | |
| Downtown Development Authority | 5,000 | 5,000 | 5,000 | 0 |
| Special Events | 0 | 5,000 | 7,273 | 2,273 |
| Joint Development Authority | 30,000 | 30,353 | 30,353 | 0 |
| Total Economic Development | 35,000 | 40,353 | 42,626 | 2,273 |
| TOTAL EXPENDITURES | $ 1,964,727 | $ 2,060,460 | $ 2,082,893 | $ 17,875 |

The accompanying notes are an integral part of this statement.

**CITY OF OCILLA, GEORGIA**
**Combining Balance Sheet**
**Other Governmental Funds**
**June 30, 2019**

| | CAPITAL PROJECTS | SPECIAL REVENUE | |
|---|---|---|---|
| | Transportation SPLOST Fund | Police Investigation Fund | Total |
| **ASSETS** | | | |
| Cash | $ 14,228 | $ 3,698 | $ 17,926 |
| Due from General Fund | 25,733 | 0 | 25,733 |
| Due from other Governments | 11,548 | 0 | 11,548 |
| TOTAL ASSETS | $ 51,509 | $ 3,698 | $ 55,207 |
| **LIABILITIES AND FUND BALANCES** | | | |
| Liabilities | $ 0 | $ 0 | $ 0 |
| Fund Balances | | | |
| Restricted | 51,509 | 3,698 | 55,207 |
| Total Fund Balances | 51,509 | 3,698 | 55,207 |
| TOTAL LIABILITIES AND FUND BALANCES | $ 51,509 | $ 3,698 | $ 55,207 |

**CITY OF OCILLA, GEORGIA**
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**
**Other Governmental Funds**
**Year Ended June 30, 2019**

| | CAPITAL PROJECTS | SPECIAL REVENUE | |
|---|---|---|---|
| | Transportation SPLOST Fund | Police Investigation Fund | Total |
| **REVENUES** | | | |
| Intergovernmental | $ 51,509 | $ 0 | $ 51,509 |
| Interest income | 0 | 2 | 2 |
| Other Income | 0 | 0 | 0 |
| TOTAL REVENUES | 51,509 | 2 | 51,511 |
| **EXPENDITURES** | | | |
| Public Safety | 0 | 970 | 970 |
| TOTAL EXPENDITURES | 0 | 970 | 970 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 51,509 | (968) | 50,541 |
| NET CHANGE IN FUND BALANCES | 51,509 | (968) | 50,541 |
| Fund Balances - beginning of year | 0 | 4,666 | 4,666 |
| FUND BALANCES - end of year | $ 51,509 | $ 3,698 | $ 55,207 |

**CITY OF OCILLA, GEORGIA**
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**
**Police Investigation Fund**
**Year Ended June 30, 2019**

| | Budget | | Variance with |
|---|---|---|---|
| | Original | Actual | Budget |
| **REVENUES** | | | |
| Interest Income | $ 2 | $ 2 | $ 0 |
| Other Income | 30 | 30 | 0 |
| TOTAL REVENUES | 32 | 32 | 0 |
| **EXPENDITURES** | | | |
| | 1,000 | 1,000 | 0 |
| TOTAL EXPENDITURES | 1,000 | 1,000 | 0 |
| Revenues Over (Under) Expenditures | (968) | (968) | 0 |
| NET CHANGE IN FUND BALANCE | $ (968) | $ (968) | $ 0 |
| Fund Balances - beginning of year | | 4,666 | |
| FUND BALANCES - end of year | | $ 3,698 | |

**CITY OF OCILLA, GEORGIA**
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**
**Transportation SPLOST Fund**
**Year Ended June 30, 2019**

| | Budget | | Variance with |
|---|---|---|---|
| | Original | Actual | Budget |
| **REVENUES** | | | |
| Intergovernmental | $ 60,000 | $ 51,509 | $ (8,491) |
| TOTAL REVENUES | 60,000 | 51,509 | (8,491) |
| **EXPENDITURES** | | | |
| | 0 | 0 | 0 |
| TOTAL EXPENDITURES | 0 | 0 | 0 |
| Revenues Over (Under) Expenditures | 60,000 | 51,509 | $ (8,491) |
| NET CHANGE IN FUND BALANCE | $ 60,000 | $ 51,509 | $ 0 |
| Fund Balances - beginning of year | | 0 | |
| FUND BALANCES - end of year | | $ 51,509 | |

**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, 2019**

| | Budget | | Variance with |
|---|---|---|---|
| | Original | Actual | Budget |
| **REVENUES** | | | |
| Interest - loan receivable | $ 16,000 | $ 14,399 | $ (1,601) |
| Interest income | 10 | 43 | $ 33 |
| TOTAL REVENUES | 16,010 | 14,442 | (1,568) |
| **EXPENDITURES** | | | |
| Bad debt write-off | 25,000 | 25,000 | 0 |
| Excess of Expenditures Over Revenues | (8,990) | (10,558) | (1,568) |
| NET CHANGE IN FUND BALANCE | $ (8,990) | (10,558) | $ (1,568) |
| Fund Balances - beginning of year | | 1,005,560 | |
| FUND BALANCES - end of year | | $ 995,002 | |

**CITY OF OCILLA, GEORGIA**
**Statement of Net Position**
**Water Fund**
**June 30, 2019**

| | |
|---|---|
| **ASSETS** | |
| Current Assets | |
| Cash | $ 177,337 |
| Accounts receivable | 45,133 |
| Inventories-materials and supplies | 19,009 |
| Prepaid items | 1,903 |
| Total Current Assets | 243,382 |
| Restricted Assets | |
| Cash | 214,363 |
| Capital Assets | |
| Sites | 310,748 |
| Buildings | 132,892 |
| Machinery and equipment | 388,793 |
| Water and sewer system | 3,629,673 |
| | 4,462,106 |
| Less accumulated depreciation | (2,744,825) |
| Total Capital Assets | 1,717,281 |
| **DEFERRED OUTFLOWS OF RESOURCES** | 8,329 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $2,183,355 |

**CITY OF OCILLA, GEORGIA**
**Statement of Net Position**
**Water Fund**
**June 30, 2019**

| | |
|---|---|
| **LIABILITIES** | |
| Current Liabilities | |
| Accounts payable | $ 10,988 |
| Salaries and wages payable | 1,664 |
| Employee benefits | 2,304 |
| Due to other funds | 15,405 |
| Notes Payable - current | 22,892 |
| Consumers' deposits payable | 68,517 |
| Total Current Liabilities | 121,770 |
| Non-current Liabilities | |
| Notes payable-non-current | 307,431 |
| Net Pension Liability | 9,325 |
| Total noncurrent liabilities | 316,756 |
| TOTAL LIABILITIES | 438,526 |
| **DEFERRED INFLOWS OF RESOURCES** | 4,138 |
| **NET POSITION** | |
| Net Investment in Capital Assets | 1,386,958 |
| Restricted | 214,363 |
| Unrestricted | 139,370 |
| TOTAL NET POSITION | 1,740,691 |
| **TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION** | $2,183,355 |

**CITY OF OCILLA, GEORGIA**
**Statement of Revenues, Expenses and Changes in Fund Net Position**
**Water Fund**
**Year Ended June 30, 2019**

| | |
|---|---|
| **OPERATING REVENUES** | |
| Water charges | $ 348,269 |
| Other | 19,906 |
| TOTAL OPERATING REVENUES | 368,175 |
| **OPERATING EXPENSES** | |
| Personnel services-salaries and wages | 59,682 |
| Employee insurance | 8,942 |
| Social security and medicare contributions | 4,255 |
| Enviromental Protection | 5,040 |
| Workers' compensation | 2,673 |
| Professional services | 35,540 |
| Repairs and maintenance of system | 40,190 |
| Repairs and maintenance | 10,805 |
| Insurance | 12,920 |
| Communications | 1,289 |
| Travel | 1,666 |
| Bank Charges | 15,765 |
| Chemicals | 36,451 |
| General supplies and materials | 12,644 |
| Energy | 29,586 |
| Depreciation | 94,174 |
| Bad Debt | 9,123 |
| TOTAL OPERATING EXPENSES | 380,745 |
| OPERATING INCOME (Loss) | (12,570) |
| **NON-OPERATING REVENUES (EXPENSES)** | |
| Transfers In | 126,377 |
| Interest income | 1,467 |
| Interest expense | (4,803) |
| Fiscal agent's fee | (1,250) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 121,791 |
| CHANGE IN NET POSITION | 109,221 |
| Net Position - beginning of year | 1,631,470 |
| NET POSITION - end of year | $ 1,740,691 |

**CITY OF OCILLA, GEORGIA**
**Statement of Cash Flows**
**Water Fund**
**Year Ended June 30, 2019**

| | |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Cash received from customers | $ 365,654 |
| Cash payments for goods and services | (204,343) |
| Cash payments to employees | (59,682) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 101,629 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | |
| Purchase of Capital Assets | (137,857) |
| Transfers In | 126,377 |
| Payments on debt | (67,721) |
| Interest paid | (4,803) |
| Agent Fees | (1,250) |
| NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | (85,254) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Interest on investments | 1,467 |
| Net Change in Cash and Cash Equivalents | 17,842 |
| Cash and cash equivalents - beginning of year | 373,858 |
| CASH AND CASH EQUIVALENTS - end of year | $ 391,700 |
| **Reconciliation of operating income to net cash used by operating activities** | |
| Operating income | $ (12,570) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation | 94,174 |
| Changes in Assets and Liabilities: | |
| (Increase) Decrease in accounts receivable | (2,521) |
| (Increase) Decrease in prepaid items | 557 |
| Increase (Decrease) in accounts payable | 2,006 |
| Increase (Decrease) in net pension liability | (861) |
| Increase (Decrease) in employer's share benefits | (24) |
| Increase (Decrease) in Due to other Funds | 14,999 |
| Increase (Decrease) in customers' deposits | 11,838 |
| Increase (Decrease) in Deferred Inflows of Resources | (5,792) |
| (Increase) Decrease in Deferred Outflows of Resources | (177) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | $ 101,629 |
| Reported as: | |
| Cash | $ 177,337 |
| Restricted Assets | 214,363 |
| CASH AND CASH EQUIVALENTS - end of year | $ 391,700 |

**CITY OF OCILLA, GEORGIA**
**Statement of Net Position**
**Sewer Fund**
**June 30, 2019**

| | |
|---|---|
| **ASSETS** | |
| Current Assets | |
| Cash | $ 107,418 |
| Accounts receivable | 45,258 |
| Due from other funds | 30,917 |
| Inventory | 29,333 |
| Prepaid items | 2,254 |
| Total Current Assets | 215,180 |
| Restricted Assets | |
| Cash | 175,974 |
| Capital Assets | |
| Machinery and equipment | 58,770 |
| Sanitary sewer system | 3,502,670 |
| Building | 24,960 |
| Waste treatment plant | 772,015 |
| | 4,358,415 |
| Less accumulated depreciation | (2,778,756) |
| Total Capital Assets | 1,579,659 |
| **DEFERRED OUTFLOWS OF RESOURCES** | 9,380 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $ 1,980,193 |

**CITY OF OCILLA, GEORGIA**
**Statement of Net Position**
**Sewer Fund**
**June 30, 2019**

| | |
|---|---|
| **LIABILITIES** | |
| Current Liabilities | |
| Accounts payable | $ 2,390 |
| Salaries and wages payable | 2,337 |
| Notes Payable - current | 9,149 |
| Bonds payable - current | 25,449 |
| Total Current Liabilities | 39,325 |
| Non-current Liabilities | |
| Notes Payable - non-current | 33,328 |
| Bonds payable - non-current | 759,789 |
| Net Pension Liability | 11,546 |
| Total Noncurrent Liabilities | 804,663 |
| TOTAL LIABILITIES | 843,988 |
| **DEFERRED INFLOWS OF RESOURCES** | 30,088 |
| **NET POSITION** | |
| Net Investment in Capital Assets | 751,944 |
| Restricted | 175,974 |
| Unrestricted | 178,199 |
| TOTAL NET POSITION | 1,106,117 |
| **TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION** | $ 1,980,193 |

**CITY OF OCILLA, GEORGIA**
**Statement of Revenues, Expenses and Changes in Fund Net Position**
**Sewer Fund**
**Year Ended June 30, 2019**

| | |
|---|---|
| **OPERATING REVENUES** | |
| Sewer charges | $ 331,402 |
| Other | 3,316 |
| TOTAL OPERATING REVENUES | 334,718 |
| **OPERATING EXPENSES** | |
| Personnel services-salaries and wages | 73,432 |
| Employee insurance | 4,854 |
| Social security and medicare contributions | 5,657 |
| Retirement contributions | 929 |
| Workers' compensation | 1,495 |
| Professional services | 5,150 |
| Repairs and maintenance of system | 1,717 |
| Technical | 10,308 |
| Chemicals | 42,978 |
| Repairs and maintenance | 3,531 |
| Insurance | 4,980 |
| General supplies and materials | 9,266 |
| Energy | 62,250 |
| Other supplies | 1,840 |
| Depreciation | 104,353 |
| Bad Debts | 11,444 |
| TOTAL OPERATING EXPENSES | 344,184 |
| OPERATING (LOSS) | (9,466) |
| **NON-OPERATING REVENUES (EXPENSES)** | |
| Transfers In | 432,427 |
| Interest income | 137 |
| Interest expense | (36,854) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 395,710 |
| CHANGE IN NET POSITION | 386,244 |
| Net Position - beginning of year | 719,873 |
| NET POSITION - end of year | $ 1,106,117 |

**CITY OF OCILLA, GEORGIA**
**Statement of Cash Flows**
**Sewer Fund**
**Year Ended June 30, 2019**

| | |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Cash received from customers | $ 331,104 |
| Cash payments for goods and services | (185,646) |
| Cash payments to employees | (73,432) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 72,026 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | |
| Payments on debt | (28,204) |
| Loan proceeds | 23,500 |
| Interest paid | (36,854) |
| NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | (41,558) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Interest on investments | 137 |
| Net Change in Cash and Cash Equivalents | 30,605 |
| Cash and cash equivalents - beginning of year | 252,787 |
| CASH AND CASH EQUIVALENTS - end of year | $ 283,392 |
| **Reconciliation of operating income to net cash provided by operating activities** | |
| Operating loss | $ (9,466) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation | 104,353 |
| Changes in Assets and Liabilities: | |
| (Increase) Decrease in accounts receivable | (3,614) |
| (Increase) Decrease in Due from Other Funds | (30,917) |
| (Increase) Decrease in prepaid items | (1,416) |
| Increase (Decrease) in accounts payable | (4,078) |
| Increase (Decrease) in net pension liability | (1,059) |
| Increase (Decrease) in employer's share benefits | (4,225) |
| Increase (Decrease) in salaries and wages payable | 459 |
| Increase (Decrease) in Deferred Inflows of Resources | 27,184 |
| (Increase) Decrease in Deferred Outflows of Resources | (5,195) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | $ 72,026 |
| Reported as: | |
| Cash | $ 107,418 |
| Restricted Assets | 175,974 |
| CASH AND CASH EQUIVALENTS - end of year | $ 283,392 |

**CITY OF OCILLA, GEORGIA**
**Statement of Net Position**
**Gas Fund**
**June 30, 2019**

| | |
|---|---|
| **ASSETS** | |
| Current Assets | |
| Cash | $ 425,363 |
| Accounts receivable, net allow for Bad Debt 18,809 | 31,211 |
| Due from other funds | 86,239 |
| Inventories-gas and supplies | 9,769 |
| Prepaid items | 2,939 |
| Total Current Assets | 555,521 |
| Capital Assets | |
| Machinery and equipment | 55,438 |
| Natural gas system | 393,776 |
| | 449,214 |
| Less accumulated depreciation | (383,968) |
| Total Capital Assets | 65,246 |
| **DEFERRED OUTFLOWS OF RESOURCES** | 11,156 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $ 631,923 |
| **LIABILITIES** | |
| Current Liabilities | |
| Accounts payable | $ 4,919 |
| Salaries and wages payable | 2,531 |
| Employee benefits | 4,922 |
| Accrued Sales Tax | 926 |
| Consumers' deposits payable | 10,650 |
| Total Current Liabilities | 23,948 |
| Noncurrent Liabilities | |
| Net Pension Liability | 7,382 |
| **DEFERRED INFLOWS OF RESOURCES** | 6,692 |
| **NET POSITION** | |
| Net Investment in Capital Assets | 65,246 |
| Unrestricted | 528,655 |
| TOTAL NET POSITION | 593,901 |
| **TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION** | $ 631,923 |

**CITY OF OCILLA, GEORGIA**
**Statement of Revenues, Expenses and Changes in Fund Net Position**
**Gas Fund**
**Year Ended June 30, 2019**

| | |
|---|---|
| **OPERATING REVENUES** | |
| Gas charges | $ 553,886 |
| Miscellaneous | 198 |
| TOTAL OPERATING REVENUES | 554,084 |
| **OPERATING EXPENSES** | |
| Personnel services-salaries and wages | 96,588 |
| Employee insurance | 15,166 |
| Social security and medicare contributions | 6,893 |
| Workers' compensation | 1,600 |
| Professional services | 14,235 |
| Technical services | 19,114 |
| Advertising | 4,884 |
| Rental of uniforms | 15,570 |
| Insurance | 4,980 |
| Travel | 2,152 |
| General supplies and materials | 4,412 |
| Energy | 6,682 |
| Inventory purchased for resale | 205,485 |
| Depreciation | 8,164 |
| Bad Debt | 16,803 |
| TOTAL OPERATING EXPENSES | 422,728 |
| OPERATING INCOME | 131,356 |
| CHANGE IN NET POSITION | 131,356 |
| Net Position - beginning of year | 462,545 |
| NET POSITION - end of year | $ 593,901 |

**CITY OF OCILLA, GEORGIA**
**Statement of Cash Flows**
**Gas Fund**
**Year Ended June 30, 2019**

| | |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Cash received from customers | $ 571,086 |
| Cash payments for goods and services | (419,655) |
| Cash payments to employees | (96,588) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 54,843 |
| CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES | |
| Purchase of Capital Assets | (12,500) |
| Net Change in Cash and Cash Equivalents | 42,343 |
| Cash and cash equivalents - beginning of year | 383,020 |
| CASH AND CASH EQUIVALENTS - end of year | $ 425,363 |
| **Reconciliation of operating income to net cash provided by operating activities** | |
| Operating income | $ 131,356 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation | 8,164 |
| Changes in Assets and Liabilities: | |
| (Increase) Decrease in accounts receivable | 17,022 |
| (Increase) Decrease in due from other funds | (86,239) |
| (Increase) Decrease in prepaid items | (1,019) |
| Increase (Decrease) in accounts payable | (4,833) |
| Increase (Decrease) in net pension liability | (1,392) |
| Increase (Decrease) in employer's share benefits | 1,446 |
| Increase (Decrease) in salaries and wages payable | 80 |
| Increase (Decrease) in sales tax payable | (31) |
| Increase (Decrease) in customer deposits payable | (300) |
| Increase (Decrease) in Deferred Inflows of Resources | 2,265 |
| (Increase) Decrease in Deferred Outflows of Resources | (11,676) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | $ 54,843 |
| Reported as: | |
| Cash | $ 425,363 |

**CITY OF OCILLA, GEORGIA**
**Statement of Net Position**
**Sanitation Fund**
**June 30, 2019**

| | |
|---|---|
| **ASSETS** | |
| Current Assets | |
| Cash | $ 47,726 |
| Accounts receivable, net of Uncollectible 6,434 | 29,832 |
| Due from other funds | 139,499 |
| Prepaid items | 1,504 |
| Total Current Assets | 218,561 |
| Capital Assets | |
| Machinery and equipment | 29,535 |
| Less accumulated depreciation | (2,954) |
| Total Capital Assets | 26,581 |
| **DEFERRED OUTFLOWS OF RESOURCES** | 3,960 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $ 249,102 |

**CITY OF OCILLA, GEORGIA**
**Statement of Net Position**
**Sanitation Fund**
**June 30, 2019**

| | |
|---|---|
| **LIABILITIES** | |
| Current Liabilities | |
| Accounts payable | $ 12,958 |
| Salaries and wages payable | 1,488 |
| Payroll deductions payable | 122 |
| Employee benefits | 490 |
| Due to other funds | 117,156 |
| Notes Payable - current | 80,000 |
| Total Current Liabilities | 212,214 |
| Noncurrent Liabilities | |
| Net Pension Liability | 15,644 |
| Total Noncurrent Liabilities | 15,644 |
| TOTAL LIABILITIES | 227,858 |
| **DEFERRED INFLOWS OF RESOURCES** | 3,578 |
| **NET POSITION** | |
| Net Investment in Capital Assets | 26,581 |
| Unrestricted | (8,915) |
| TOTAL NET POSITION | 17,666 |
| **TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION** | $ 249,102 |

**CITY OF OCILLA, GEORGIA**
**Statement of Revenues, Expenses and Changes in Fund Net Position**
**Sanitation Fund**
**Year Ended June 30, 2019**

| | |
|---|---|
| **OPERATING REVENUES** | |
| Sanitation charges | $ 258,218 |
| TOTAL OPERATING REVENUES | 258,218 |
| **OPERATING EXPENSES** | |
| Contracted garbage service | 168,473 |
| Personnel services-salaries and wages | 51,647 |
| Employee insurance | 3,696 |
| Social security and medicare contributions | 3,592 |
| Retirement contributions | 15,262 |
| Data Processing | 448 |
| Repairs and maintenance of system | 10,215 |
| Travel & Training | 323 |
| Insurance | 2,163 |
| General supplies and materials | 1,662 |
| Fuel | 4,085 |
| Bad Debts | 5,435 |
| Depreciation | 2,954 |
| TOTAL OPERATING EXPENSES | 269,955 |
| OPERATING (LOSS) | (11,737) |
| **NON-OPERATING REVENUES (EXPENSES)** | |
| Equity Transfer in | 29,402 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 29,402 |
| CHANGE IN NET POSITION | 17,665 |
| Net Position - beginning of year | 0 |
| NET POSITION - end of year | $ 17,665 |

**CITY OF OCILLA, GEORGIA**
**Statement of Cash Flows**
**Sanitation Fund**
**Year Ended June 30, 2019**

| | |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Cash received from customers | $ 228,386 |
| Cash payments for goods and services | (208,881) |
| Cash payments to employees | (51,647) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | (32,142) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | |
| Purchase of Capital Assets | (29,535) |
| Loan proceeds | 80,000 |
| Transfer in | 29,403 |
| NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | 79,868 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Net change in cash and cash equilivants | 47,726 |
| Cash and cash equivalents - beginning of year | 0 |
| CASH AND CASH EQUIVALENTS - end of year | $ 47,726 |
| **Reconciliation of operating income to net cash provided by operating activities** | |
| Operating loss | $ (11,737) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation | 2,954 |
| Changes in Assets and Liabilities: | |
| (Increase) Decrease in accounts receivable | (29,832) |
| (Increase) Decrease in Due from Other Funds | (139,499) |
| (Increase) Decrease in prepaid items | (1,504) |
| Increase (Decrease) in accounts payable | 12,958 |
| Increase (Decrease) in net pension liability | 15,644 |
| Increase (Decrease) in employer's share benefits | 612 |
| Increase (Decrease) in Due to Other Funds | 117,156 |
| Increase (Decrease) in salaries and wages payable | 1,488 |
| Increase (Decrease) in Deferred Inflows of Resources | 3,578 |
| (Increase) Decrease in Deferred Outflows of Resources | (3,960) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | $ (32,142) |
| Reported as: | |
| Cash | $ 47,726 |

**CITY OF OCILLA, GEORGIA**
**Statement of Changes in Fiduciary Assets and Liabilities**
**Agency Fund**
**Year Ended June 30, 2019**

| | Industrial Deveopment Authority |
|---|---|
| **Additions**: | |
| Tax collections | $ 45,657 |
| **Deductions:** | |
| Disbursement to Development Authority | 38,917 |
| Total Deductions | 38,917 |
| Change in Due to other Governmental Agencies | 6,740 |
| Due to other Governmental Agencies - beginning of year | 26,819 |
| DUE TO OTHER GOVERNMENTAL AGENCIES - end of year | $ 33,559 |

**CITY OF OCILLA, GEORGIA**
**Combining Statement of Net Position**
**Discretely Presented Component Units**
**June 30, 2019**

| | Downtown Development Authority of the City of Ocilla | South Central Drug Task Force | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash In bank | $ 23,882 | $ 125,307 | $ 149,189 |
| Grant receivable | 0 | 47,155 | 47,155 |
| TOTAL ASSETS | $ 23,882 | $ 172,462 | $ 196,344 |
| **LIABILITIES AND FUND BALANCE** | | | |
| Liabilities | | | |
| Accounts Payable | 0 | 136,789 | 136,789 |
| Fund Balance | | | |
| Restricted | 23,882 | 35,673 | 59,555 |
| TOTAL LIABILITIES AND FUND BALANCE | $ 23,882 | $ 172,462 | $ 196,344 |

**CITY OF OCILLA, GEORGIA**
**Combining Statement of Activities and Changes in Net Position**
**Discretely Presented Component Units**
**Year Ended June 30, 2019**

| | Downtown Development Authority of the City of Ocilla | South Central Drug Task Force | Total |
|---|---|---|---|
| **REVENUES** | | | |
| Federal grant | $ 0 | $ 157,150 | $ 157,150 |
| Intergovernmental revenue | 17,000 | 40,610 | 57,610 |
| Confiscated cash and property | 0 | 11,140 | 11,140 |
| TOTAL REVENUES | 17,000 | 208,900 | 225,900 |
| **EXPENDITURES** | | | |
| Administration | 271 | 8,795 | 9,066 |
| Public safety | 0 | 197,397 | 197,397 |
| Economic development | 3,374 | 0 | 3,374 |
| Culture/ recreation | 1,000 | 0 | 1,000 |
| TOTAL EXPENDITURES | 4,645 | 206,192 | 210,837 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 12,355 | 2,708 | 15,063 |
| Other Financing Sources (Contribution) Contribution | 292 | 0 | 292 |
| NET CHANGE IN FUND BALANCES | 12,647 | 2,708 | 15,355 |
| Fund Balances - beginning of year | 11,235 | 32,965 | 44,200 |
| FUND BALANCES - end of year | $ 23,882 | $ 35,673 | $ 59,555 |

**CITY OF OCILLA, GEORGIA**
**Schedule of Projects Using Special Purpose Local Option Sales Tax Proceeds**
**Year Ended June 30, 2019**

| Project | Original Estimated Cost | Revised Estimated Cost | SPLOST Expenditures | | | Estimated Percentage Completed | Additional Expenditures* | Total Current Year Expenses |
|---|---|---|---|---|---|---|---|---|
| | | | Prior Years | Current Year | Total | | | |
| **SPLOST 4** | | | | | | | | |
| Administration | $ 80,000 | $ 0 | $ 0 | $ 0 | $ 0 | 100% | $ 0 | $ 0 |
| Utilities-pump station | 250,000 | 39,733 | 39,733 | 0 | 39,733 | 100% | 0 | 0 |
| Rolling stock-police | 100,000 | 24,503 | 24,503 | 0 | 24,503 | 100% | 0 | 0 |
| Street project | 290,000 | 718,924 | 635,217 | 82,053 | 717,270 | 100% | 64,356 | 146,409 |
| Fire Station | 100,000 | 30,470 | 19,000 | 11,470 | 30,470 | 100% | 0 | 11,470 |
| Rolling stock-fire | 50,000 | 26,487 | 21,569 | 4,918 | 26,487 | 100% | 0 | 4,918 |
| Landfill/Sanitation project | 135,000 | 116,543 | 94,218 | 22,325 | 116,543 | 100% | 0 | 22,325 |
| Rolling stock-street | 30,000 | 19,924 | 19,924 | 0 | 19,924 | 100% | 0 | 0 |
| TOTAL | $ 1,035,000 | $ 976,584 | $ 854,164 | $ 120,766 | $ 974,930 | 100% | $ 64,356 | $ 185,122 |

*Transfers from the General fund 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 Projects Using Special Purpose Local Option Sales Tax Proceeds**
**Year Ended June 30, 2019**

| Project | Original Estimated Cost | SPLOST Expenditures Current Year | SPLOST Expenditures Total | Estimated Percentage Completed | Additional Expenditures* | Total Current Year Expenses |
|---|---|---|---|---|---|---|
| | | | **SPLOST 5** | | | |
| Utility Equipment | $ 175,000 | $ 0 | $ 0 | 0% | $ 0 | $ 0 |
| Sanitation Improvements & Maintenance | 300,000 | 0 | 0 | 0% | 0 | 0 |
| Public Safety Equipment | 175,000 | 43,897 | 43,897 | 25% | 0 | 43,897 |
| Street project | 300,000 | 117,720 | 117,720 | 39% | 0 | 117,720 |
| Fire Station | 427,500 | 0 | 0 | 0% | 0 | 0 |
| Maintenance of Municipal Building's & Property | 560,000 | 18,938 | 18,938 | 3% | 0 | 18,938 |
| Landfill/Sanitation project | 200,000 | 0 | 0 | 0% | 0 | 0 |
| TOTAL | $ 2,137,500 | $ 180,555 | $ 180,555 | 8% | $ 0 | $ 180,555 |

*Transfers from the General fund 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**
**Community Development Block Grant**
**Budget To Actual Funds Schedule**
**Grant #17P-X-077-2-5948**
**Year Ended June 30, 2019**

| Program Activity | Activity Number | Latest Approved Budget CDBG Funds | Period Expenditures | Prior Period Expenditures | Grant Total Expeditures to Date | Questioned Costs |
|---|---|---|---|---|---|---|
| Contingencies | C-022-00 | $ 56,000 | $ 0 | $ 0 | $ 0 | $ 0 |
| Water Facilities | P-03J-01 | 146,850 | 126,377 | 0 | 126,377 | 0 |
| Sewer Facilities | P-03J-02 | 420,425 | 363,227 | 0 | 363,227 | 0 |
| Floodard Drainage Facilities | P-03K-02 | 81,725 | 81,725 | 0 | 81,725 | 0 |
| Administration | A-21A-00 | 45,000 | 24,000 | 0 | 24,000 | 0 |
| Total | | $ 750,000 | $ 595,329 | $ 0 | $ 595,329 | $ 0 |

This statement is prepared on the cash basis

**CITY OF OCILLA, GEORGIA**
**Community Developement Block Grant**
**Source and Application of Funds Schedule**
**Grant #17P-X-077-2-5948**
**Year Ended June 30, 2019**

| | | |
|---|---|---|
| Total Program Funds Allocated to Recipient | $ | 750,000 |
| Less: Total Current Year Funds Drawn Down by Recipient | | (595,329) |
| Funds Still Available | | 154,671 |
| Total Program Funds Held at Year Beginning July 1, 2019 | $ | 0 |
| Total Program Funds Drawn Down and Received by Recipient | | 595,329 |
| Less: Funds Applied and Expended to Program Year 2019 Costs | | (595,329) |
| Total Program Funds Held at Year Ending June 30, 2019 | $ | 0 |

This statement is prepared on the cash basis

## FINANCIAL STATEMENT FINDINGS

**2019-1 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.

**2019-2 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.

**2019-3 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.

**2019-4 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.

**2019-5 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.

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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, 2019, 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 May 29, 2020.

**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.

Herring CPA Group, P.C.
Tifton, Georgia
May 29, 2020