CITY OF VIDALIA, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2018

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT WIDE FINANCIAL STATEMENTS	
Statement of Net Position	4
Statement of Activities	5
FUND FINANCIAL STATEMENTS	
Governmental Fund Financial Statements	
Balance Sheet - Governmental Funds	6
Reconciliation of Net Positon-Governmental Funds in the Statement of Net Position to Total Fund Balance - Governmental Funds on the Balance Sheet	7
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Proprietary Fund Financial Statements	
Statement of Net Position - Proprietary Funds	10
Statement of Revenues and Expenditures and Changes in Net Positon - Proprietary Funds	11
Statement of Cash Flows - Proprietary Funds	12-13
Fiduciary Fund Financial Statements	
Statement of Fiduciary Assets and Liabilities	14
NOTES TO THE FINANCIAL STATEMENTS	15-40
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	41-44
Note to Budgetary Comparison	45
Defined Benefit Pension Plan Required Supplementary Information	46-47

TABLE OF CONTENTS

SUPPLEMENTARY INFORMATION

Combining Balance Sheet - Nonmajor Governmental Funds	48
Combining Statement of Revenues, Expenditures, and Fund Balances - Nonmajor Governmental Funds	49
Independent Auditor's Report on Special One Percent Sales and Use Tax	50
Schedule of Projects Constructed with Special Sales Tax Proceeds	51
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	52-53
Current Year Findings and Responses	54

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INDEPENDENT AUDITOR'S REPORT

To the City Council
Vidalia, Georgia 30474

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Vidalia, Georgia, as of December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation 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 risks 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 basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Vidalia, Georgia, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information (on pages 41 through 44), Schedule of Changes in the City's Net Pension Liability and Related Ratio's and Schedule of City Contributions (on pages 46 through 47) be presented to supplement the basic financial statements. Such 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. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Vidalia, Georgia's basic financial statements. The combining fund financial statements and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial 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 combining and individual non-major fund financial statements and schedules 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 June 19, 2019, on our consideration of the City of Vidalia, 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 City of Vidalia, Georgia's internal control over financial reporting and compliance.

McLain, Calhoun, McCullough, Clark & Co., P.C.

June 19, 2019
Vidalia, Georgia

BASIC FINANCIAL STATEMENTS

CITY OF VIDALIA, GEORGIA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 718,545	$ 161,298	$ 879,843
Certificates of deposit	248,860	-	248,860
Investments, at fair value	387,767	608,586	996,353
Accounts receivable	64,534	-	64,534
Inventory	-	43,221	43,221
Taxes receivable	266,677	-	266,677
Fees for services	136,674	219,281	355,955
Loans receivable	208,921	-	208,921
Due from others	1,020,036	-	1,020,036
Internal balances	(293,986)	293,986	-
Due from other governments	864,343	-	864,343
Prepaid items	40,625	-	40,625
Capital Assets:			
Land	2,067,879	-	2,067,879
Machinery and equipment	4,023,717	35,650,830	39,674,547
Buildings	18,624,465	3,013,848	21,638,313
Infrastructure	8,740,020	3,655,552	12,395,572
Construction in progress	816,650	-	816,650
Accumulated depreciation	(8,509,508)	(17,751,721)	(26,261,229)
Capital assets, net of depreciation	25,763,223	24,568,509	50,331,732
Total Assets	29,426,219	25,894,881	55,321,100
Deferred Outflows of Resources			
Deferred outflows related to pensions	427,146	-	427,146
Liabilities			
Accounts payable	270,944	81,837	352,781
Cash Overdraft	11,237	38,083	49,320
Accrued costs	284,184	-	284,184
Customer deposits	-	327,392	327,392
Due in more than one year:			
Net pension liability	1,205,838	-	1,205,838
Total Liabilities	1,772,203	447,312	2,219,515
Deferred Inflows of Resources			
Deferred inflows related to pensions	417,901	-	417,901
Net Positions			
Investment in capital assets	25,763,223	24,568,509	50,331,732
Restricted for:			
Drug Enforcement-Drug Education	5,885	-	5,885
Vidalia Area Convention & Visitors Bureau-Tourism	130,215	-	130,215
Vidalia Onion Festival Committee-Community Development	113,406	-	113,406
Recreation Projects	74,352	-	74,352
CDBG -Capital Projects	25	-	25
Revolving loan	237,978	-	237,978
T-Spost-Capital Projects	-	-	-
Splost-Capital Projects	-	-	-
Pinecrest Cemetery	154,406	-	154,406
Health Insurance	22,132	-	22,132
Unrestricted	1,161,639	879,060	2,040,699
Net Position	$ 27,663,261	$ 25,447,569	$ 53,110,830

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

CITY OF VIDALIA, GEORGIA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants, and Contributions,
Governmental Activities				
General Government				
Legislative and Executive	$ 2,563,716	$ 440,872	$ 20,259	$ -
Judicial	8,678	256,173	-	-
Public Safety	2,896,859	26,790	-	-
Public Works	3,276,216	1,595,050	-	3,466,657
Health and Welfare	73,586	3,299	-	-
Recreation & Culture	955,278	88,988	68,792	-
Community Development	432,706	621,635	1,007	55,606
Total Governmental Activities	10,207,039	3,032,807	90,058	3,522,263
Business-Type Activities				
Water and Sewer	3,092,065	2,256,851	-	-
Airport	557,952	381,719	-	-
Total Business-Type Activities	3,650,017	2,638,570	-	-
Total Primary Government	$ 13,857,056	$ 5,671,377	$ 90,058	$ 3,522,263
General Revenues				
Property Taxes				
Intangible Recording Taxes				
Motor Vehicle Taxes				
Sales Tax				
Insurance Premium Taxes				
Alcoholic Beverage Taxes				
Real Estate Transfer Taxes				
Railroad Equipment Taxes				
Franchise Tax				
Other Taxes				
Interest				
Sale of Assets				
Other Revenues				
Total General Revenues				
Transfers				
Change in Net Position				
Net Position, Beginning				
Net Position End of Year				

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

Net (Expense) Revenue and Changes in Net Position Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (2,102,585)	$ -	$ (2,102,585)
247,495	-	247,495
(2,870,069)	-	(2,870,069)
1,785,491	-	1,785,491
(70,287)	-	(70,287)
(797,498)	-	(797,498)
245,542	-	245,542
(3,561,911)	-	(3,561,911)
-	(835,214)	(835,214)
-	(176,233)	(176,233)
-	(1,011,447)	(1,011,447)
$ (3,561,911)	$ (1,011,447)	$ (4,573,358)
$ 1,901,741	$ -	$ 1,901,741
14,243	-	14,243
21,218	-	21,218
2,032,512	-	2,032,512
748,071	-	748,071
282,425	-	282,425
4,899	-	4,899
4,019	-	4,019
807,817	-	807,817
-	-	-
23,555	12,935	36,490
3,103	-	3,103
4,482	-	4,482
5,848,085	12,935	5,861,020
(968,405)	968,405	-
1,317,769	(30,107)	1,287,662
26,345,492	25,477,676	51,823,168
$ 27,663,261	$ 25,447,569	$ 53,110,830

CITY OF VIDALIA, GEORGIA
FUND FINANCIAL STATEMENTS
BALANCE SHEET – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Splost Fund	Other Governmental Funds	Total
Assets				
Cash	$ -	$ 490,438	$ 205,975	$ 696,413
Certificates of deposit	-	-	243,676	243,676
Investments, at fair value	387,767	-	-	387,767
Accounts receivable	-	-	64,534	64,534
Receivables:				
Taxes	266,677	-	-	266,677
Fees for services	136,674	-	-	136,674
Loans receivable	-	-	208,921	208,921
Due from others	1,020,036	-	-	1,020,036
Due from other funds	1,121,879	-	-	1,121,879
Due from other governments	369,540	494,803	-	864,343
Prepaid Expenditures	40,625	-	-	40,625
Restricted Assets:				
Cash and cash equivalents	22,132	-	-	22,132
Certificates of deposit	-	-	5,184	5,184
Total assets	$ 3,365,330	$ 985,241	$ 728,290	$ 5,078,861
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 213,026	$ 57,918	$ -	$ 270,944
Cash Overdraft	11,237	-	-	11,237
Due to General Fund	-	1,005,000	10,865	1,015,865
Due to Water Sewer Fund	-	400,000	-	400,000
Accrued expenditures	283,026	-	1,158	284,184
Total liabilities	507,289	1,462,918	12,023	1,982,230
Deferred Inflows of Resources				
Unavailable Revenue-Property Taxes	132,093	-	-	132,093
Fund Balances				
Fund balance:				
Nonspendable	40,625	-	-	40,625
Restricted				
Drug Enforcement-Drug Education	-	-	5,885	5,885
Vidalia Area Convention & Visitors Bureau-Tourism	-	-	130,215	130,215
Vidalia Onion Festival Committee-Community Development	-	-	113,406	113,406
Recreation-Projects	-	-	74,352	74,352
CDBG-Capital Projects	-	-	25	25
Revolving loan	-	-	237,978	237,978
T-Splost-Capital Projects	-	-	-	-
Splost-Capital Projects	-	-	-	-
Pinecrest Cemetery	-	-	154,406	154,406
Health Insurance	22,132	-	-	22,132
Nonspendable	40,625	-	-	40,625
Restricted	22,132	-	716,267	738,399
Unassigned	2,663,191	(477,677)	-	2,185,514
Total fund balances	2,725,948	(477,677)	716,267	2,964,538
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,365,330	$ 985,241	$ 728,290	$ 5,078,861

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

CITY OF VIDALIA, GEORGIA
RECONCILIATION OF NET POSITION – GOVERNMENTAL FUNDS IN THE STATEMENT OF NET POSITION TO THE TOTAL FUND BALANCE – GOVERNMENTAL FUNDS ON THE BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2018

Total Governmental Fund Balances		$ 2,964,538
Amounts reported for governmental activities on the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		25,763,223
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Property tax revenue	132,093	132,093
Deferred outflows of resources are not due and payable in the current period and are not reported in the funds. These deferred ouflows consist of pension related experience differences, assumption changes and contributions.		427,146
Deferred inflows of resources are not available to pay for current expenditures and therefore are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on benefit plans.		(417,901)
Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets are reported on the government-wide statement of net position. Net pension liability		(1,205,838)
Net Position of Governmental Activities		$ 27,663,261

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

CITY OF VIDALIA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Splost Fund	Other Governmental Funds	Total
Revenues:				
Taxes	$ 5,881,303	$ -	$ 503,610	$ 6,384,913
Grants	20,259	1,249,303	55,606	1,325,168
Licenses and permits	56,354	-	-	56,354
Intergovernmental	-	2,077,851	68,792	2,146,643
Charges for services	1,622,957	-	334,614	1,957,571
Fines and court costs	256,173	-	-	256,173
Miscellaneous	186,639	-	138	186,777
Donations	-	15,000	1,007	16,007
Interest	16,789	1,674	6,766	25,229
Total revenues	8,040,474	3,343,828	970,533	12,354,835
Expenditures:				
Current operating:				
General government	2,338,547	-	601	2,339,148
Public safety	2,634,690	-	1,591	2,636,281
City garage	131,873	-	-	131,873
Animal control facility	73,586	-	-	73,586
Street department	1,093,650	229,982	122,829	1,446,461
Solid Waste and recycling	1,435,717		-	1,435,717
Culture and recreation	385,434	-	448,038	833,472
Economic development	67,429	-	318,589	386,018
Capital outlay	-	1,958,605	100,482	2,059,087
Total expenditures	8,160,926	2,188,587	992,130	11,341,643
Excess (deficiency) of revenues over (under) expenditures	(120,452)	1,155,241	(21,597)	1,013,192
Other financing sources(uses):				
Sale of Assets	13,076	14,942	-	28,018
Transfers	10,907	(968,405)	(10,907)	(968,405)
Total other financing sources(uses)	23,983	(953,463)	(10,907)	(940,387)
Net change in fund balances	(96,469)	201,778	(32,504)	72,805
Fund balance - beginning	2,822,417	(679,455)	748,771	2,891,733
Fund balance - end of year	$ 2,725,948	$ (477,677)	$ 716,267	$ 2,964,538

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

CITY OF VIDALIA, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
DECEMBER 31, 2018

Net change in fund balances - total governmental funds		$ 72,805
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Governmental funds report proceeds from the sale of capital assets but do not report the gain or loss from the sale of capital assets. This is the amount of proceeds from the sale of capital assets.		(28,018)
Governmental funds report proceeds from the sale of capital assets but do not report the gain or loss from the sale of capital assets. This is the amount of gain on the sale of capital assets.		3,103
Governmental funds report capital outlay as expenditures. However, on the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year:		
General fund	$ -	
Capital projects	1,958,605	
Other govt funds	100,482	
Total	2,059,087	
Depreciation expense	(924,483)	
	1,134,604	1,134,604
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Property taxes	2,739	
Deferred inflows related to pensions	(155,960)	(153,221)
Some expenses reported in the statement of activities do not require the use of financial resources and therefore are not reported as e expenditures in the governmental funds. These expenses are:		
Change in net pension liability	178,092	
Deferred outflows related to pension	110,404	288,496
Change in Net Position of Governmental Activities		$ 1,317,769

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

CITY OF VIDALIA, GEORGIA
PROPRIETARY FUND FINANCIAL STATEMENTS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2018

	Water and Sewer	Airport	Total
Assets			
Current Assets			
Cash and cash equivalents	$ 161,149	$ 149	$ 161,298
Accounts Receivable	219,281	-	219,281
Due from Splost	400,000	-	400,000
Inventory	-	43,221	43,221
Investments, at fair value	608,586	-	608,586
Total current assets	1,389,016	43,370	1,432,386
Noncurrent Assets			
Capital Assets:			
Machinery and equipment	35,516,293	-	35,516,293
Buildings and Improvements	-	3,013,848	3,013,848
Furniture and fixtures	-	1,025	1,025
Infrastructure	-	3,655,552	3,655,552
Vehicles	-	133,512	133,512
Accumulated depreciation	(16,226,089)	(1,525,632)	(17,751,721)
Total non-current assets	19,290,204	5,278,305	24,568,509
Total Assets	20,679,220	5,321,675	26,000,895
Liabilities			
Current Liabilities			
Accounts payable	62,256	19,581	81,837
Cash Overdraft	-	38,083	38,083
Due to other funds	-	106,014	106,014
Customer deposits	327,392	-	327,392
Notes payable	-	-	-
Total Current Liabilities	389,648	163,678	553,326
Long-Term Liabilities			
Notes payable	-	-	-
Total Liabilities	389,648	163,678	553,326
Net Position			
Investment in capital assets	19,290,204	5,278,305	24,568,509
Unrestricted	999,368	(120,308)	879,060
Net Position	$ 20,289,572	$ 5,157,997	$ 25,447,569

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

CITY OF VIDALIA, GEORGIA
PROPRIETARY FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Water and Sewer	Airport	Total
Operating Revenues			
Current use charges	$ 2,188,289	$ 381,719	$ 2,570,008
Other charges	68,562	-	68,562
Total operating revenues	2,256,851	381,719	2,638,570
Operating Expenses			
Personal Services	328,755	56,482	385,237
Repairs and maintenance	224,313	46,510	270,823
Contractual Services	1,256,783	43,822	1,300,605
Utilities	369,946	23,862	393,808
Materials and supplies	26,088	213,864	239,952
Other	141,695	37,126	178,821
Bad Debt	(2,402)	-	(2,402)
Depreciation	746,887	136,286	883,173
Total Operating Expenses	3,092,065	557,952	3,650,017
Operating Income (Loss)	(835,214)	(176,233)	(1,011,447)
Non-Operating Revenue (Expenses)			
Interest revenue	12,935	-	12,935
Total Non-Operating Revenues (Expenses)	12,935	-	12,935
Income(loss) before transfers	(822,279)	(176,233)	(998,512)
Transfers	790,879	177,526	968,405
Change in Net Position	(31,400)	1,293	(30,107)
Net Position Beginning of Year	20,320,972	5,156,704	25,477,676
Net Position End of Year	$ 20,289,572	$ 5,157,997	$ 25,447,569

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

CITY OF VIDALIA, GEORGIA
PROPRIETARY FUND FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Water and Sewer	Airport	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from customers	$ 2,173,267	$ 381,719	$ 2,554,986
Cash received from others	68,562	-	68,562
Cash payments for personal services	(328,755)	(56,482)	(385,237)
Cash payments for contractual services	(1,256,783)	(43,822)	(1,300,605)
Cash payments for materials and supplies	(714,166)	(282,507)	(996,673)
Net Cash Provided by Operating Activities	(57,875)	(1,092)	(58,967)
Cash Flows from Noncapital Financing Activities			
Loan to/from other funds	(132,472)	1,093	(131,379)
Net Cash Used for Noncapital Financing Activities	(132,472)	1,093	(131,379)
Cash Flows from Capital and Related Financing Activities			
Transfers	790,879	177,526	968,405
Cash payments to purchase capital assets	(704,764)	(177,526)	(882,290)
Net Cash Used for Capital and Related Financing Activities	86,115	-	86,115
Cash Flows from Investing Activities			
Contributions to investments	(215)	-	(215)
Cash received from interest	12,935	-	12,935
Net Cash Flows Provided by Investing Activities	12,720	-	12,720
Net Increase(Decrease) in Cash and Cash Equivalents	(91,512)	1	(91,511)
Cash and Cash Equivalents at Beginning of Year	252,661	148	252,809
Cash and Cash Equivalents at End of Year	$ 161,149	$ 149	$ 161,298

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

CITY OF VIDALIA, GEORGIA
PROPRIETARY FUND FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Water and Sewer	Airport	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating income(loss)	$ (835,214)	$ (176,233)	$ (1,011,447)
Adjustments to reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities			
Depreciation	746,887	136,286	883,173
Changes in Assets and Liabilities:			
(Increase)decrease in accounts receivable	(17,424)	-	(17,424)
(Increase)decrease in inventory	-	379	379
Increase(decrease) in accounts payable	37,770	38,476	76,246
Increase(decrease) in customer deposits	10,106	-	10,106
Net cash provided by operating activities	$ (57,875)	$ (1,092)	$ (58,967)

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

CITY OF VIDALIA, GEORGIA
FIDUCIARY FUND FINANCIAL STATEMENTS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2018

		Ad Valorem Tax Agency Fund
Assets		
Cash	$	5,778,247
Taxes and other receivable		1,283,157
Total assets		7,061,404
Liabilities		
Liabilities:		
Due to others (current)		5,778,247
Unavailable Revenue - Property Taxes		1,283,157
Total liabilities		7,061,404

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

The City of Vidalia was chartered by the State of Georgia on October 12, 1890. The City is managed by an elected mayor and council and by an appointed city manager. The City provides the following services: public safety (police and fire), streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services. Other services include the airport and water distribution and sewer retrieval systems.

These financial statements present all fund types and account groups of the City and its component units. In conformity with generally accepted accounting principles, as set forth in GASB Statement No. 14, The Financial Reporting Entity, the financial statements of component units have been included either as blended or discretely presented component units. Blended component units, although legally separate entities, are, in substance, part of the City's operations. There are no discretely presented component units.

Although the Vidalia Housing Authority is not a discretely presented component unit, it is a related organization to the City. There is no financial relationship between the Vidalia Housing Authority and the City. The City council approves appointments to the Vidalia Housing Authority's Board.

Blended Component Units

Vidalia Convention & Visitors Bureau Authority serves the City of Vidalia and is governed by the City Council. The City provides funding to the Visitors Bureau. The Visitors Bureau is reported as a special revenue fund in accordance with GASB. Separate financial statements can be obtained from the City of Vidalia, 114 Jackson Street, Vidalia, Georgia, 30474.

Vidalia Onion Festival Committee serves the City of Vidalia. The City provides funding to the Onion Festival Committee and appoints members to its governing body. The Vidalia Onion Festival Committee is reported as a special revenue fund in accordance with GASB. Separate financial statements can be obtained from the City of Vidalia, 114 Jackson Street, Vidalia, Georgia, 30474.

Expenditures to the Vidalia Industrial Development Authority, the Ohoopee Regional Library, the Toombs County Chamber of Commerce, the Ohoopee Regional Council for the Arts, the Main Street Program, the Martin Luther King Community Center, the Altama Gallery, and the Vidalia Christmas Parade are by contractual agreement and are expended as a part of the regular operations of the City.

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures to the Vidalia City Schools Board of Education are by law since this Board has its own taxing authority. This Board allows the City to collect its tax revenue, which the City remits on a quarterly basis as a part of the regular operations of the City. The City created an Agency Fund for collection and disbursement of ad-valorem taxes. The fund reports taxes collected for the City's General Fund and the Vidalia City Schools. The City retains penalties and interest for its services.

A. Basis of Presentation

The City's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except the fiduciary funds or component units that are fiduciary in nature. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limitations. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

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. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Cont.)

B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most functions of the government are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's fund types:

General Fund

The General Fund is the general operating fund of City of Vidalia, Georgia. It is used to account for all revenues and expenditures of the general Government, which are not accounted for in other funds. The General Fund is considered a major fund.

Special Revenue Funds

Special Revenue Funds are generally used to account for certain specific revenue sources, including special services districts, grants, and similar funds that are legally restricted to expenditures for specified purposes.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds, special assessment funds, and trust funds.

SPLOST – The fund accounts for special purpose local option sales tax collected and used for street improvements, water/sewer construction and improvements, and recreation construction. SPLOST is considered a major fund.

Proprietary Fund

Proprietary fund reporting focuses on the determination of operating income, changes in Net Position, financial position, and cash flows. The City's enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's enterprise funds:

Water/Sewer Fund - The fund accounts for fees collected in connection with the furnishing of water and sewerage service to the citizens. The Water/Sewer Fund is considered a major fund.

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Airport Fund – The fund accounts for sale of fuel and hangar rentals. The Airport Fund is considered a major fund.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Proprietary Funds. Operating revenues consist primarily of charges for services. Operating expenses consist of services, supplies and maintenance required to operate the system. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from non-exchange transactions.

Fiduciary Fund

Fiduciary fund reporting focuses on net position and the changes in net position. The City's expendable trust fund is used to account for assets held in a trustee capacity. The City's Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

Fund Equity

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

Fund balance generally represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report classification 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 - Fund balances are reported as non-spendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

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

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the approval of a motion. Only the City Council may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted or committed.

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

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- Committed
- Assigned
- Unassigned

Net Position – Net position represent the difference between assets and liabilities. Net positions, net investment in capital assets, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount the City has not spent) for the acquisition, construction or improvement of those assets. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net positions are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement revenues, expenditures and change in fund balance reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, includes a reconciliation with brief explanations to better identify the relationship between the government–wide financial statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements(Cont.)

associated with the operation of these funds are included on the statement of net position. The statement of changes in revenues, expenses, and changes in fund net position presents increases (i.e. revenues) & decreases (i.e., expenses) in total net position. The statement of cash flows reflects how the City finances and meets the cash flow needs of its enterprise activities.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the financial statement will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items, which arise only under the modified accrual basis of accounting that qualifies for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The City also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains and losses result from periodic studies by the City's actuaries which adjust the net pension liability for actual experiences for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred inflows of resources or deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred inflows of resources or deferred outflows of resources and are amortized into pension expense over the expected remaining services lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources. This amount will reduce the net pension liability in the next fiscal year.

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; enterprises and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and the presentation of expenses versus expenditures.

Revenues – Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which the party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days after year end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from sales tax is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, grants, interest and rent.

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Modified Accrual Basis of Accounting

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are generally recognized when they become measurable and available as net, current assets. Revenues, which are susceptible to accrual, are property taxes and grants from other governments. Property tax revenues are considered measurable and available to the extent they are collected within the current period or collected within sixty days after the end of the period. Property taxes not collected within sixty days after the end of the period are recorded as deferred revenues and recognized when collected.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) inventory type items, which are, expensed when purchased; (2) principal and interest on general long-term debt which is recognized when due; and (3) prepaid items which are expensed when purchased.

Accrual Basis of Accounting

The proprietary fund and fiduciary funds are accounted for on an economic resources measurement focus using the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

Budgetary Process

Primary Government

1. Prior to December 1, the Finance committee submits to the Mayor and Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

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

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

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

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. The Budget for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles.

6. Project-length budgets are adopted for all Capital Projects Funds.

7. The budget shown in these financial statements reflects the final authorized amounts as revised during the year.

Cash and Investments

Cash includes amounts in demand deposits and short-term certificates of deposit. Statutes authorize the city to invest in U.S. Government obligations, U.S. Government Agency obligations, State of Georgia obligations, obligations fully insured or guaranteed by the U.S. Government, obligations of any U.S. Government corporation, obligations of other political subdivisions of the State of Georgia and certificates of deposit issued by banks.

Investments are stated at fair value.

Eliminations

GASB 34 eliminated the presentation of Account Groups, but provides for these records to be maintained and used to account for capital assets and long-term liabilities that are not reflected on the balance sheet of Governmental-type funds due to the current financial resources measurement focus that they use.

The effect of interfund activity has been removed from the government-wide financial statements. Due to/from other funds have been eliminated as well as transfers between funds.

Interfund Receivables and Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables and Payables." Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position.

The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as "Internal Balances." The monies due the primary government from the fiduciary funds are reflected in the statement of Net position as "External Balances."

Inventories

Inventory consists of expendable supplies held for consumption. The costs of these supplies on hand are considered immaterial to the balance sheets of the various funds and are not shown as assets of the funds nor is any portion of the fund balance reported as restricted for inventories. Inventory type items are recorded as an expenditure when purchased. The Airport Proprietary Fund maintains a fuel inventory recorded at the lower of cost or market on a first-in, first-out basis.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018, are reported as prepaid expenses using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which the services are consumed.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental columns in the governmental-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than $5,000. All purchased capital assets are valued at historical cost where historical records are available at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. General infrastructure assets acquired prior to January 1, 2004 are not reported in the governmental-wide financial statements.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. GASB statement 34 prohibits the capitalization of interest expense for assets constructed for use in governmental activities. However, interest from debt not considered to be a general long-term debt may be included as part of the cost of assets constructed for business–type activities. In 2018, there was no interest expense incurred by the City included as part of the cost of capital assets under construction in connection with public building construction projects.

Capital Assets

Property, plant, equipment and infrastructure of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	50 years
Vehicles	5 years
Machinery and equipment	5-20 years
Infrastructure and water/sewer system	50 years

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed. Accordingly, encumbrances outstanding at year-end are not reported as reservations of fund balances, nor do they constitute expenditures or liabilities. Generally accepted accounting principles do not require encumbrance accounting.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences and Other Employee Benefits

Accumulated unpaid vacation, sick pay and other fringe benefits are not accrued since the amounts do not exceed a normal year's accumulation. These expenses are recorded as incurred.

Application of FASB Pronouncements

Proprietary activities apply all FASB statements and interpretations issued after November 30, 1989 except for those that conflict with or contradict GASB pronouncements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2- CONTINGENCIES

Litigation

City management believes that potential claims from pending litigation would not materially affect the financial position of the City.

Grants

The City participates in both federal-assisted and state-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 3- PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are generally levied by October 20, and are due by December 20. Property tax revenues are recognized when levied to the extent they result in current receivables. Taxes not collected within sixty days after the year end, are reported as deferred inflows of resources. The deferred inflows of resources is combined with property tax revenue on the statement of activities and the deferred inflows of resources on the statement of Net position is eliminated.

NOTE 4- DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental entities at December 31, 2018 are as follows:

	General Fund	Capital Projects	Special Revenue TSPLOST	Total
State of Georgia				
Sales Tax	$ 355,154	$ 494,803	$ 14,386	$ 864,343
	$ 355,154	$ 494,803	$ 14,386	$ 864,343

NOTE 5 - CHANGES IN CAPITAL ASSETS

Primary government
Capital asset activity for the year ended December 31, 2018 was as follows:

	Primary Government			
	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2018
Governmental activities				
Capital assets:				
Non-depreciable:				
Land	$ 2,067,879	$ -	$ -	$ 2,067,879
Construction in progress	3,010,034	2,330,309	(4,523,693)	816,650
Depreciable:				
Buildings	14,587,913	4,036,552	-	18,624,465
Machinery & equipment	3,854,515	215,920	(46,718)	4,023,717
Infrastructure	8,740,020	-	-	8,740,020
Total capital assets	32,260,361	6,582,781	(4,570,411)	34,272,731
Less accumulated depreciation:				
Buildings	(3,106,486)	(329,894)	-	(3,436,380)
Machinery & equipment	(3,544,044)	(437,492)	21,802	(3,959,734)
Infrastructure	(956,297)	(157,097)	-	(1,113,394)
Total accumulated depreciation	(7,606,827)	(924,483)	21,802	(8,509,508)
Governmental activities capital assets, net	$ 24,653,534	$ 5,658,298	$ (4,548,609)	$ 25,763,223

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	$ 233,246
Public Safety	260,578
Public Works	262,165
Recreation and Culture	121,806
Community Development	46,688
Total governmental activities depreciation expense	$ 924,483

NOTE 5- CHANGES IN CAPITAL ASSETS (CONTINUED)

Business –Type Activity

A summary of proprietary fund type capital asset activity for the year ended December 31, 2018 was as follows:

Water/Sewer Enterprise Fund	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2018
Water and sewer system in service	$ 32,793,870	$ 704,764	$ -	$ 33,498,634
Machinery and equipment	2,017,659	-	-	2,017,659
Less accumulated depreciation:				
Water and sewer system in service	(13,874,588)	-	(651,129)	(14,525,717)
Machinery and equipment	(1,604,614)	-	(95,758)	(1,700,372)
Total accumulated depreciation	(15,479,202)	-	(746,887)	(16,226,089)
Total water/sewer capital assets, net	19,332,327	704,764	(746,887)	19,290,204
Airport Enterprise Fund				
Buildings	2,836,322	177,526	-	3,013,848
Machinery and equipment	134,537	-	-	134,537
Infrastructure	3,655,552	-	-	3,655,552
Less accumulated depreciation:				
Buildings	(608,761)	-	(63,129)	(671,890)
Machinery and equipment	(134,421)	-	(46)	(134,467)
Infrastructure	(646,164)	-	(73,111)	(719,275)
Total accumulated depreciation	(1,389,346)	-	(136,286)	(1,525,632)
Total airport capital assets, net	5,237,065	177,526	(136,286)	5,278,305
Total	$ 24,569,392	$ 882,290	$ (883,173)	$ 24,568,509

NOTE 6- DEFINED BENEFIT PENSION PLAN

PLAN DESCRIPTION

The City's defined benefit pension plan, the City of Vidalia Retirement 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. The City is assigned the authority to establish and amend benefit provisions of the Plan. 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, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303, or by calling (404) 688-0472.

Employees Covered Under the Plan

Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	75
Inactive employees entitled to but not yet receiving benefits	32
Active employees	72
Total covered employees	179

Funding Policy

Employees are not required to contribute to the Plan. The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code section 47-20-10). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the City contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards. The City contributed $298,504 to the Plan for the year ended December 31, 2018.

NOTE 6- DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At December 31, 2018, the City reported a liability of $1,205,838 as its net pension liability. The net pension liability was determined by an actuarial valuation as July 1, 2018. The City's net pension liability was based on the projection of the City's long-term contributions to the pension plan, actuarially determined at July 1, 2018.

The following is a schedule that reconciles the differences between the beginning and ending net pension liability for the year ended December 31, 2018:

Changes in Net Pension Liability	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at March 31, 2017*	$ 8,235,885	$ 6,851,955	$ 1,383,930
Changes for the year:			
Service Cost	103,117	-	103,117
Interest	618,960	-	618,960
Differences between expected and actual experience	112,466	-	112,466
			-
			-
Contributions- employer	-	344,005	(344,005)
Contributions- employee	-	-	-
Net investment income	-	846,451	(846,451)
Benefit payments, including refunds of employee contributions	(498,608)	(498,608)	-
			-
Administrative Expense	-	(25,709)	25,709
Other	152,112	-	152,112
Net Changes	488,047	666,139	(178,092)
Balances at March 31, 2018**	$ 8,723,932	$ 7,518,094	$ 1,205,838

**Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2017 are used to measure TPL as of March 31, 2017. The balances as of March 31, 2017 constitute measurements of the NPL for the fiscal year ending December 31, 2017.*

*** Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2018 are used to measure TPL as of March 31, 2018. The balances as of March 31, 2018 constitute measurements of the NPL for the fiscal year ending December 31, 2018.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report.

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended December 31, 2018, the City recognized pension expense of $165,968 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 assumptions or methods, and plan benefits. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 89,184	$ (142,030)
Changes of assumptions	114,084	-
Net difference between projected and actual earnings on pension plan investments	-	(275,871)
City contributions subsequent to the measurement date	223,878	-
Total	$ 427,146	$ (417,901)

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.

$223,878 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December, 31. 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year Ending December 31,	Deferred Outflows/ (Inflows) of Resources
2019	(54,894)
2020	(37,141)
2021	(58,116)
2022	(64,482)
Thereafter	-
Total	$ (214,633)

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions

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

Acturial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaing unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 11 years
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 market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Inflation	2.75%
Net Investment Rate of Return	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age:	
Officials	Age 62 with no minimum years
Employees	Age 65 with 5 years
Early	Age 55 with 10 years
Department Heads	Age 62 with 5 years
Mortality:	
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 and economic actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for period January 1, 2010 through June 30, 2014.

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The 7.50% 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. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target 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%	6.71%
International equity	20%	7.71%
Real estate	10%	5.21%
Global fixed income	5%	3.36%
Domestic fixed income	20%	2.11%
Cash	0%	
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, which is the same as the long-term expected rate of return. The projection of cash flows used to determine the discount rate assumed that contributions from the City will continue to be made at the recommended rates each year, actuarially determined. Based on that assumption, the pension fund'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. However, based on the projected availability of the pension plan investments, it 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 one percentage point higher or lower than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	$ 2,180,035	$ 1,205,838	$ 387,903

NOTE 7-CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Custodial credit risk is the risk that in the event of bank failure the City's deposits may not be returned to it. To address custodial risk, it is the City's policy for deposits to be 110% secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation insurance. The City's deposits are categorized to give an indication of the level of risk assumed by the City at December 31, 2018. The City also has deposits with banks that participate in the Georgia Secure Deposit Program (SDP) which fully protects any deposit amounts above FDIC limits. These deposits are not subject to the normal pledging requirements.

The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 - Uncollateralized

		Category			
Description	Bank Balance	1	2	3	Carrying Amount
Total Deposits	$ 7,207,288	$ 404,405	6,802,858	-	$ 6,857,587

The City's investments are categorized as either 1) insured or registered, or securities held by the City or its agent in the City's name, 2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name or 3) uninsured and unregistered, with securities held by the counterparty's trust department or agent but not in the City's name.

NOTE 7-CASH DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

The City's investments are classified as follows at December 31, 2018:

Description	Category				
	1	2	3	*Carrying Amount*	*Fair Value*
U.S. Gov't Obligations	$ -	-	-	-	-
U.S. Agency Securities	996,353	-	-	996,353	996,353
Cash	-	-	-	-	-
Total	$ 996,353	-	-	996,353	$ 996,353

Investments are carried at cost which is a reasonable approximation of fair value.

The City does not invest in the Georgia Fund 1 pool.

NOTE 8-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 has joined together with other municipalities in the state of Georgia Interlocal Risk Management Agency (GIRMA) for property and liability insurance and Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the findings being required to pay any claim of loss. The City is also to allow the pools' 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 funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of the state of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the other members, all interest accruing after entry of judgment, and all expenses for investigations, negotiation or defense.

Beginning in 1993 the City established a medical self insurance plan for employees and their covered dependents to minimize the total cost of medical and dental health insurance to the City. This program is for the benefit of all City employees and their covered dependents. The City transfers funding to an escrow account for the employees while the employees pay for the dependents' coverage. The City also pays premiums for the stop-loss insurance from the escrow account. Medical claims are administered through a private insurance carrier. The estimated insurance claims

NOTE 8-RISK MANAGEMENT (CONTINUED)

payable at December 31, 2018 of $231,000 is based on the requirements of GASB No. 10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" as amended by GASB Statement No. 30 "Risk Financing Omnibus," which requires that claims be based upon the estimated ultimate costs of settling the claims, including incremental costs, such as outside legal assistance costs incurred only because of the claims and that the liability included incurred but not reported losses estimated based upon historical experience. Changes in the balance or estimated insurance claims payable for the fiscal years ended December 31, 2018, 2017, 2016, 2015, and 2014 follow:

		Balance January 1	*New Claims and Changes in Estimates*	*Claim Payments*	*Balance December 31*
Fiscal Year Ending in:					
2014	$	155,000	1,140,465	1,015,465	280,000
2015	$	280,000	1,124,845	1,269,845	135,000
2016	$	135,000	1,655,860	1,608,860	182,000
2017	$	182,000	1,462,793	1,533,793	111,000
2018	$	111,000	1,421,005	1,301,005	231,000

NOTE 9-OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the Combined Statements, certain information concerning individual funds including:

A. Summary disclosure of changes in general capital assets by major asset class. This requirement has been met by Note 5.

B. Summary of disclosure of debt service requirements to maturity for all types of outstanding debt. At December 31, 2018 there is no outstanding debt.

C. Summary disclosure of changes in general long-term debt. At December 31, 2018 there is no long-term debt.

D. Excess of expenditures over appropriations in individual funds. This requirement has been met Note 15.

E. Deficit fund balances of individual funds. At December 31, 2018 there is a deficit balance in SPLOST fund.

F. Segment information for certain individual Enterprise Funds. The Enterprise Fund combining statements can be found on pages 10, 11, 12, and 13. The City maintains two Enterprise Funds.

G. At December 31, 2018, the following amounts were due between funds:

Due to:	Due from:	Amount	Purpose
General Fund	Airport	$ 106,014	Payroll
General Fund	SPLOST	$ 1,005,000	Construction
General Fund	Vid Area Conv	$ 10,865	Payroll
Water/Sewer	SPLOST	$ 400,000	Construction

NOTE 10-CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows for proprietary funds, demand deposits and certificates of deposit are considered cash. All certificates of deposit maturing within a three month period are considered cash.

NOTE 11-EXCISE TAX ON LODGING

The City levied an excise tax on lodging at the rate of five percent through August 31, 2015. Forty percent of this amount was required to be spent on promoting tourism. Beginning September 1, 2015, the levy was increased to eight percent with sixty-two and one half percent of this amount required to be spent on promoting tourism. In 2018 the City collected $380,781 and expended $238,128 for tourism.

NOTE 12-RESTRICTED NET POSITION

Restricted Net position are used to indicate that a portion of the Net position is not appropriable for expenditure or is legally segregated for a specific future use. The following restricted Net Position are used by the City of Vidalia.

Primary Government:

Special Revenue and Capital Projects Funds:		
Restricted by ordinance	$	738,799
Restricted for Capital Projects-SPLOST		-
Total Restricted Net Position	$	738,799

NOTE 13-JOINT VENTURE

The City, in conjunction with cities and counties in the fifteen (15) county Southeast Georgia area are members of the Heart of Georgia Altamaha Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RC's. Each municipality and county in the state is required by law to pay minimum annual dues to the RC. The City paid annual dues in the amount of $10,473 to the RC for the year ended December 31, 2018. The RC Board membership includes the chief elected official of each municipality and the chief elected official of each county. The City Council members and the county board members from the same county elect one member of the Board, who is a resident (but not elected or appointed official or employee of the City or county) to serve as the non-public Board member from a City.
The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RC's as "public agencies and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources. (O.C.G.A. 50-8-39.1)

Separate financial statements can be obtained from Heart of Georgia Altamaha Regional Commission, 5405 Oak Street, Eastman, Georgia, 31023.

NOTE 14-INTERFUND TRANSFERS

Transfer From	Amount	Transfer To	Purpose
Major - General Fund	$ 111,200	Recreation	Operations
Major - Splost	790,879	Water/Sewer	Capital Outlay
Major - Splost	177,526	Airport	Capital Outlay
Non-Major - Hotel/Motel	122,107	General	Operations
Non-Major - Hotel/Motel	238,128	Vidalia Visitors Bureau	Operations
Total Primary Government	$ 1,439,840		

NOTE 15-EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The individual funds, which had expenditures in excess of appropriations, are as follows:

General Fund		Expenditures	Appropriations	Expenditures Over(Under) Appropriations
Current Operating Expenditures:				
Judicial	$	8,678	8,451	(227)
General Administration		2,271,002	1,935,713	(335,289)
Fire		613,055	590,430	(22,625)
City Garage		131,873	105,583	(26,290)
Culture & Recreation		318,089	315,342	(2,747)
Community Center	$	48,205	41,700	(6,505)

NOTE 16-TAX ABATEMENTS

During the fiscal year ended December 31, 2018, the City of Vidalia did not enter into any tax abatement agreements. The City is subject to tax abatements granted by the Toombs County Development Authority, an entity created by Toombs County. The authorities stated purpose is to build and grow business in the Vidalia-Toombs County area. During the fiscal year 2018, the authority abated taxes to one business as well as expansion to existing businesses. The total taxes abated were $8,735. Information relevant to disclosure of these abatements of the fiscal year ended December 31, 2018 is:

Type of Business	Property Taxes Abated during the Fiscal Year
Distribution Company	$8,735

NOTE 17-SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 19, 2019, the date that the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF VIDALIA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Over(Under)
Taxes:			
Property taxes	$ 1,245,000	$ 1,207,083	$ (37,917)
Timber tax	-	-	-
Prior taxes	20,000	78,079	58,079
Vehicle tags & taxes	44,000	21,218	(22,782)
Vehicle TAVT	275,000	444,826	169,826
Mobile home taxes	1,500	1,309	(191)
Intangible tax	16,000	14,243	(1,757)
Railroad equipment, etc.	3,200	4,019	819
Transfer tax	3,500	4,899	1,399
GPC franchise tax	725,000	668,139	(56,861)
Atlanta Gas franchise tax	27,500	32,238	4,738
Northland Cable franchise tax	75,000	69,376	(5,624)
Bell South franchise tax	64,000	38,064	(25,936)
Local option sales tax	1,906,000	2,032,512	126,512
Alcoholic beverage tax	320,000	282,425	(37,575)
Business licenses	177,000	198,507	21,507
Insurance premium tax	693,719	748,071	54,352
Property Tax Penalties	55,000	35,169	(19,831)
Business license penalties	1,500	1,126	(374)
Total	5,652,919	5,881,303	228,384
Licenses and Permits:			
Business & Alcohol License	45,000	43,000	2,000
Golf cart permits	165	90	(75)
Game Room License	4,400	2,670	(1,730)
Building & wiring permits	15,000	10,594	(4,406)
Total	64,565	56,354	(6,211)
Intergovernmental			
DOT Grant	176,888	-	(176,888)
Other grants	6,000	2,273	(3,727)
Vidalia Housing Authority	13,000	17,986	4,986
Total	195,888	20,259	(175,629)
Charges for Services			
Zone application fees	500	250	(250)
Warrants, etc	19,000	19,383	383
Gun Permit Fingerprinting	1,000	1,385	385
City payment - fire protection	1,000	1,000	-
Garbage fees - residential	426,270	422,687	(3,583)
Garbage fees - commercial	458,649	450,019	(8,630)
Landfill fees - residential	293,976	292,978	(998)
Landfill fees - commercial	235,386	234,493	(893)
Disposal Fee-yardwaste	194,110	194,873	763
Cemetery fees	1,000	-	(1,000)
Animal control revenues	4,500	3,299	(1,201)
Returned checks & fees	3,000	2,590	(410)
Total	1,638,391	1,622,957	(15,434)

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

CITY OF VIDALIA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Over(Under)
Subtotal carryforward	$ 7,551,763	$ 7,580,873	$ 31,110
Fines and forfeits:			
Fees & court costs	299,000	256,173	(42,827)
Total	299,000	256,173	(42,827)
Miscellaneous:			
Interest earned	18,000	16,789	(1,211)
Community Service Building	35,000	42,587	7,587
Vidalia Onion Museum	24,000	22,400	(1,600)
Vidalia RV Park	35,000	41,660	6,660
Leases	55,000	75,648	20,648
Pal Theater	-	-	-
Other	10,000	4,344	(5,656)
Sale of Assets	21,500	13,076	(8,424)
Total	198,500	216,504	18,004
Total General Fund Revenue	8,049,263	8,053,550	6,287
Transfers:			
Hotel/Motel Tourism	140,625	122,107	(18,518)
Total	140,625	122,107	(18,518)
Total Budget to Actual	$ 8,189,888	$ 8,175,657	$ (12,231)

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

CITY OF VIDALIA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance (Over)Under
General Government			
Legislative:			
Personal services	$ -	$ -	$ -
Operating expenditures	58,300	58,867	(567)
Capital outlay	13,000	-	13,000
Total	71,300	58,867	12,433
Judicial:			
Personal services	7,751	7,751	-
Operating expenditures	700	927	(227)
Total	8,451	8,678	(227)
General Administration:			
Personal services	1,653,417	1,906,923	(253,506)
Operating expenditures	282,296	364,079	(81,783)
Capital outlay	-	-	-
Total	1,935,713	2,271,002	(335,289)
Total General Government	2,015,464	2,338,547	(323,083)
Public Safety			
Police Department:			
Personal services	1,824,882	1,680,509	144,373
Operating expenditures	345,272	341,126	4,146
Capital outlay	-	-	-
Total	2,170,154	2,021,635	148,519
Fire Department:			
Personal services	515,813	540,541	(24,728)
Operating expenditures	74,617	72,514	2,103
Capital outlay	-	-	-
Total	590,430	613,055	(22,625)
Total Public Safety	2,760,584	2,634,690	125,894
City Garage:			
Operating expenditures	105,583	131,873	(26,290)
Capital outlay	-	-	-
Total	105,583	131,873	(26,290)
Animal control Facility:			
Personal services	58,769	63,275	(4,506)
Operating expenditures	17,975	10,311	7,664
Capital Outlay	-	-	-
Total	76,744	73,586	3,158

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

CITY OF VIDALIA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Over(Under)
Subtotal carryforward	$ 4,958,375	$ 5,178,696	$ (220,321)
Street Department:			
Operating expenditures	1,338,073	1,093,650	244,423
Capital outlay	-	-	-
Total	1,338,073	1,093,650	244,423
Solid Waste & Recycling:			
Personal services	9,740	9,957	(217)
Operating expenditures	1,437,976	1,425,760	12,216
Total	1,447,716	1,435,717	11,999
Culture & Recreation:			
Personal services	214,842	219,652	(4,810)
Operating expenditures	100,500	98,437	2,063
Capital outlay	-	-	-
Total	315,342	318,089	(2,747)
Community Center:			
Operating expenditures	41,700	48,205	(6,505)
Total	41,700	48,205	(6,505)
Vidalia Onion Museum:			
Operating expenditures	19,350	19,140	210
Total	19,350	19,140	210
Pal Theater & Ladson Library			
Operating expenditures	500	-	500
Total	500	-	500
Economic Development:			
Personal services	40,907	37,429	3,478
Operating expenditures	48,500	30,000	18,500
Total	89,407	67,429	21,978
Total General Fund Expenditures before Transfers to Special Revenue Funds and Capital Projects Funds	8,210,463	8,160,926	49,537
Transfers:			
Recreation	111,200	111,200	-
Water/Sewer	-	-	-
Total	111,200	111,200	-
Total General Fund Expenditures	$ 8,321,663	$ 8,272,126	$ 49,537

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

CITY OF VIDALIA, GEORGIA
NOTE TO BUDGETARY COMPARISON SCHEDULE
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Budget for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles

NOTE 2-EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The individual funds, which had expenditures in excess of appropriations, are as follows:

General Fund		Expenditures	Appropriations	Expenditures Over(Under) Appropriations
Current Operating Expenditures:				
Judicial	$	8,678	8,451	(227)
General Administration		2,271,002	1,935,713	(335,289)
Fire		613,055	590,430	(22,625)
City Garage		131,873	105,583	(26,290)
Culture & Recreation		318,089	315,342	(2,747)
Community Center	$	48,205	41,700	(6,505)

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

CITY OF VIDALIA, GEORGIA
DEFINED BENEFIT PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILTY AND RELATED RATIOS

	2018	2017	2016	2015
Total pension liability				
Service cost	$ 103,117	$ 97,867	$ 100,071	$ 93,956
Interest on total pension liability	618,960	622,646	602,296	584,608
Differences between expected and actual experience	112,466	(284,061)	19,333	150,789
Changes of assumptions	152,112	-	-	(162,310)
Benefit payments, including refunds of employee contributions	(498,608)	(469,426)	(448,798)	(428,820)
Net change in total pension liability	488,047	(32,974)	272,902	238,223
Total Pension Liability- beginning	8,235,885	8,268,859	7,995,957	(7,757,734)
Total Pension Liability- ending (a)	$ 8,723,932	$ 8,235,885	$ 8,268,859	$ 7,995,957
Plan Fiduciary net position				
Contributions- employer	$ 344,005	$ 405,592	$ 380,455	$ 259,971
Contributions- employee	-	-	-	-
Net investment income	846,451	773,465	19,959	560,097
Benefit payments, including refunds of employee contributions	(498,608)	(469,426)	(448,798)	(428,820)
Actuarial Asset Valuation Method	$ (25,709)	$ (26,115)	(19,474)	(18,498)
Net change in plan fiduciary net position	$ 666,139	$ 683,516	(67,858)	372,750
Plan Fiduciary net position- beginning	6,851,955	6,168,439	6,236,297	58,547
Plan Fiduciary net position- ending (b)	$ 7,518,094	$ 6,851,955	$ 6,168,439	$ 6,236,297
City's net pension liability-ending (a) - (b)	$ 1,205,838	$ 1,383,930	$ 2,100,420	$ 1,759,660
Plan Fiduciary net position as a percentage of the total pension liability	86.18%	83.20%	74.60%	77.99%
Covered-employee payroll	$ 2,634,152	$ 2,790,151	$ 2,705,573	$ 2,564,926
City's net pension liability as a percentage of covered-employee payroll	45.78%	49.60%	77.63%	68.60%

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

CITY OF VIDALIA, GEORGIA
DEFINED BENEFIT PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE OF CITY CONTRIBUTIONS

	2018	2017	2016	2015
Actuarially determined contribution	$ 308,520	$ 298,504	$ 359,172	$ 378,959
Contributions in relation to the actuarially determined contribution	298,504	359,172	442,826	352,730
Contribution deficiency (excess)	$ 10,016	$ (60,668)	$ (83,654)	$ 26,229
Covered-employee payroll	$ 2,967,488	$ 2,914,898	$ 2,956,653	$ 2,956,842
Contributions as a percentage of covered employee payroll	10.06%	12.32%	14.98%	11.94%

Notes to the Schedule

(1) Actuarial Assumptions:

Valuation Date	July 1, 2018
Cost Method	Projected Unit Credit
Actuarial 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 the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value
Assumed Rate of Return on Investments	7.50%
Projected Salary Increases	2.75 plus service based merit increases
Cost-of-living Adjustment	N/A
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective period of 11 years

(2) The Schedule will present 10 years of information once it is accumulated

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

SUPPLEMENTARY INFORMATION

CITY OF VIDALIA, GEORGIA
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	DRUG	Vidalia Convention & Visitors Bureau Authority	Hotel Motel Tourism	Vidalia Onion Festival	Recreation	CDBG	Revolving Loan	Pinecrest Cemetery Trust Fund	T-Splost	Total Nonmajor Governmental Funds
Assets										
Cash	$ 5,885	$ 72,231	$ -	$ 24,264	$ 70,129	$ 25	$ 29,057	$ 4,384	$ -	$ 205,975
Certificates of deposit	-	10,508	-	83,146	5,184	-	-	150,022	-	248,860
Accounts receivable	-	58,538	-	5,996	-	-	-	-	-	64,534
Loans receivable	-	-	-	-	-	-	208,921	-	-	208,921
Total assets	5,885	141,277	-	113,406	75,313	25	237,978	154,406	-	728,290
Liabilities and Fund Balances										
Liabilities										
Due to General Fund	-	10,865	-	-	-	-	-	-	-	10,865
Accrued expenditures	-	197	-	-	961	-	-	-	-	1,158
Total liabilities	-	11,062	-	-	961	-	-	-	-	12,023
Fund Balances										
Fund balance:										
Restricted	5,885	130,215	-	113,406	74,352	25	237,978	154,406	-	716,267
Total fund balances	5,885	130,215	-	113,406	74,352	25	237,978	154,406	-	716,267
Total Liabilities and Fund Balances	$ 5,885	$ 141,277	$ -	$ 113,406	$ 75,313	$ 25	$ 237,978	$ 154,406	$ -	$ 728,290

CITY OF VIDALIA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	DRUG	Vidalia Convention & Visitors Bureau Authority	Hotel Motel Tourism	Vidalia Onion Festival	Recreation	CDBG	Revolving Loan Fund	Pinecrest Cemetery Trust Fund	T-Splost	Total Nonmajor Governmental Funds
Revenues:										
Grants	$ -	$ -	$ -	$ -	$ -	$ 55,606	$ -	$ -	$ -	$ 55,606
Taxes	-	-	380,781	-	-	-	-	-	122,829	503,610
Intergovernmental	-	-	-	-	68,792	-	-	-	-	68,792
Charges for services, fees, etc.	4,772	49,564	-	191,290	88,988	-	-	-	-	334,614
Interest	1	106	-	600	34	-	5,424	601	-	6,766
Miscellaneous	-	138	-	-	-	-	-	-	-	138
Donations	-	632	-	-	-	-	-	375	-	1,007
Total revenues	4,773	50,440	380,781	191,890	157,814	55,606	5,424	976	122,829	970,533
Expenditures:										
Current operating:										
Administration fees	-	-	-	-	-	-	-	601	-	601
Engineering and construction costs	-	-	-	-	-	-	-	-	-	-
Street Repairs	-	-	-	-	-	-	-	-	122,829	122,829
Public Safety	1,591	-	-	-	-	-	-	-	-	1,591
Culture and recreation	-	-	20,546	186,875	240,617	-	-	-	-	448,038
Community development	-	253,485	-	-	-	-	65,104	-	-	318,589
Capital outlay	-	44,876	-	-	-	55,606	-	-	-	100,482
Total expenditures	1,591	298,361	20,546	186,875	240,617	55,606	65,104	601	122,829	992,130
Excess revenues(expenditures):	3,182	(247,921)	360,235	5,015	(82,803)	-	(59,680)	375	-	(21,597)
Transfers	-	238,128	(360,235)	-	111,200	-	-	-	-	(10,907)
Net change in fund balances	3,182	(9,793)	-	5,015	28,397	-	(59,680)	375	-	(32,504)
Fund balance - beginning of year	2,703	140,008	-	108,391	45,955	25	297,658	154,031	-	748,771
Fund balance - end of year	$ **5,885**	$ **130,215**	$ -	$ **113,406**	$ **74,352**	$ **25**	$ **237,978**	$ **154,406**	$ -	$ 716,267

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INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

To the City Council
Vidalia, Georgia

We have audited the accompanying Schedule of Special Local Option Sales Tax for the City of Vidalia, Georgia, for the year ended December 31, 2018. This schedule is the responsibility of the City of Vidalia's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax 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 Schedule of Special Purpose Local Option Sales Tax is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting and is not intended to be a complete presentation of City of Vidalia's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in City of Vidalia's resolution or ordinance calling for the tax for the year ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

McLain, Calhoun, McCullough, Clark & Co., P.C.

June 19, 2019

Vidalia, Georgia

CITY OF VIDALIA, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE ONE (1) PERCENT LOCAL OPTION
FOR THE YEAR ENDED DECEMBER 31, 2018

Project Years	Projects	Original Estimated Cost	Amended Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Percentage of Completion
2015-2020	Water and Sewer Projects	4,650,000	4,650,000	497,888	790,880	1,288,768	
2015-2020	Street Improvements	1,150,000	1,150,000	1,575,234	533,679	2,108,913	
2015-2020	Buildings and Equipment	4,000,000	4,000,000	2,972,618	376,299	3,348,917	
2015-2020	Recreation	1,000,000	1,000,000	616,508	-	616,508	
Total		$ 10,800,000	$ 10,800,000	$ 5,662,248	$ 1,700,858	$ 7,363,106	68.18%
			Total Expenditures		1,700,858		

Reconciliation of Total Expenditures:

Total SPLOST expenditures including transfers in Fund Financial Page 8	$ 3,156,992
Less Insurance Reimbursement	(14,942)
Less Donation Pal Theater	(15,000)
Less DOT Grant-Irma	(268,537)
Less FAA Grant	(113,312)
Less DOT Reimbursements	(11,605)
Less 2018 LMIG	(176,889)
Less TIA Grants	(855,849)
Total SPLOST expenditures reported in Fund Financial Statements Page 8	$ 1,700,858

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Independent Auditors' Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

To the City Council
Vidalia, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Vidalia, Georgia as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise City of Vidalia, Georgia's basic financial statements, and have issued our report thereon dated June 19, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Vidalia, Georgia's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. The findings are described in the accompanying schedule of findings and responses on page 54 as item 08-01.

We noted certain other matters involving the internal control over financial reporting that we have reported to the management of the City of Vidalia, Georgia in a separate letter dated June 19, 2019.

City of Vidalia's Response to Findings

City of Vidalia, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. City of Vidalia, Georgia'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.

McLain, Calhoun, McCullough, Clark & Co., P.C.

June 19, 2019
Vidalia, Georgia

CURRENT YEAR FINDINGS AND RESPONSES – FINANCIAL STATEMENT AUDIT

08-01 EXPENDITURES OVER APPROPRIATIONS:

Condition: There were instances of expenditures exceeding appropriations in the General Fund.

Criteria: O.C.G.A. 36-81 establishes the budgetary requirements.

Recommendation: We recommend that the City Manager review the actual expenditures and compare to the budgeted amounts. If expenditures exceed the budgeted amounts, the City Manager should propose to the City Council to amend the budget to allow for the excess expenditures. The City Manager should also address to the City Council how the excess expenditures will be funded.

Response: We agree with this finding. After consultation with the City Manager, the City Council approves the actual expenditures that exceed budgeted amounts after assuring that resources are available to fund the proposed expenditures. A formal budget amendment is not proposed.

Current Status: This condition was unresolved as of December 31, 2018.