City of Whigham
Georgia

Financial Statements

For the Fiscal Year Ended
August 31, 2020

CITY OF WHIGHAM, GEORGIA
For The Fiscal Year Ended August 31, 2020
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Perry L. Henry, LLC

Certified Public Accountant and Consultant

Perry L. Henry, CPA, CGFM, CFS

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of
the City Council
City of Whigham, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Whigham, Georgia as of and for the fiscal year ended August 31, 2020, 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 presentation and fair presentation of financial statements that are free from material misstatement, whether due to fraud of 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 evaluation 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, and each major fund of the City of Whigham, Georgia as of August 31, 2020, 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

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, economical or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule – General Fund and the Budgetary Comparison Schedule – Confiscated Assets Special Revenue Fund on pages 35-38 and the Pension Plan on page 39-41 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 the 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 and opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express and opinion of provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Whigham, Georgia's basic financial statements. The Schedule of Special Purpose Local Option Sales Tax is presented for purposes of additional analysis as required by the Official Code of Georgia 48-4-121, and is not a required part of the basic financial statements.

The Schedule of Special Purpose Local Option Sales Tax is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedure 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 Schedule of Special Purpose Local Option Sales Tax is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2021 on our consideration of the City of Whigham'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 on an audit performed in accordance with *Government Auditing Standards* in considering the City of Whigham's internal control over financial reporting and compliance.

Perry L. Henry, LLC

Perry L. Henry, LLC
Bainbridge, Georgia
May 25, 2021

CITY OF WHIGHAM, GEORGIA
STATEMENT OF NET POSITION
AUGUST 31, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash on hand and in banks	$ 465,673	$ 616,091	$ 1,081,764
Receivables (net, where applicable, of allowances for uncollectible):			
Taxes	14,999	-	14,999
Accounts	-	109,330	109,330
Prepaid expenses	7,977	3,670	11,647
Restricted assets - Cash	102,893	55,539	158,432
Restricted assets - Intergovernmental receivable	4,528	-	4,528
Land and construction in progress	68,670	18,600	87,270
Other capital assets, net of depreciation	460,151	384,163	844,314
Total Assets	1,124,891	1,187,393	2,312,284
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pension	28,512	18,184	46,696
Total of Deferred Outflows of Resources	28,512	18,184	46,696
LIABILITIES			
Accounts payable	12,885	53,730	66,615
Intergovernmental payable	12,238	-	12,238
Accrued liabilities	1,116	4,478	5,594
Customer deposits	-	62,918	62,918
Long-term liabilities:			
Portion due and payable within one year:			
Notes	13,506	-	13,506
Portion due and payable after one year:			
Notes	12,623	-	12,623
Net Pension Obligation	35,054	19,569	54,623
Total Liabilities	87,422	140,695	228,117
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pension	20,224	16,734	36,958
Total Deferred Inflows of Resources	20,224	16,734	36,958
NET POSITION			
Net investment in capital assets	502,692	402,763	905,455
Restricted for:			
Capital projects	90,880	-	90,880
Unrestricted	452,185	645,385	1,097,570
Total Net Position	$ 1,045,757	$ 1,048,148	$ 2,093,905

The accompanying notes are an integral part of these financial statements.

CITY OF WHIGHAM, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

Functions/Programs	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total
Governmental:							
General Government	$ 205,181	$ 6,983	$ 47,673	$ 52,140	$ (98,385)	$ -	$ (98,385)
Public Safety	313,251	26,522	-	-	(286,729)	-	(286,729)
Public Works	74,952	-	-	-	(74,952)	-	(74,952)
Interest on long-term debt	1,400	-	-	-	(1,400)	-	(1,400)
Total governmental activities	594,784	33,505	47,673	52,140	(461,466)	-	(461,466)
Business-Type:							
Water	130,200	120,175	-	-		(10,025)	(10,025)
Light	685,797	944,229	-	-		258,432	258,432
Sanitation	61,093	72,424	-	-		11,331	11,331
Total business-type activities	877,090	1,136,828	-	-		259,738	259,738
Totals	$ 1,471,874	$ 1,170,333	$ 47,673	$ 52,140	(461,466)	259,738	(201,728)
General Revenues:							
Taxes							
Property taxes, levied for general purposes					72,636	-	72,636
Sales and use taxes					40,701	-	40,701
Alcoholic beverages taxes					11,935	-	11,935
Business taxes					1,341	-	1,341
Franchise taxes					2,752	-	2,752
Insurance premium tax					35,859	-	35,859
Other taxes					1,608	-	1,608
Investment earnings					97	-	97
Miscellaneous					18,728	-	18,728
Transfers					295,032	(295,032)	-
Total General Revenues and Transfers					480,689	(295,032)	185,657
Change in net position					19,223	(35,294)	(16,071)
Net position - beginning - as previously reported					1,008,236	1,101,740	2,109,976
Prior period adjustment					18,298	(18,298)	-
Net position - beginning - restated					1,026,534	1,083,442	2,109,976
Net position - ending					$ 1,045,757	$ 1,048,148	$ 2,093,905

The accompanying notes are an integral part of these financial statements.

CITY OF WHIGHAM, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2020

Total *fund* balances for governmental funds		$ 561,464
Total *net position* reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land and construction in progress	68,670	
Other capital assets	1,002,437	
Total capital assets	1,071,107	
Accumulated depreciation	(542,286)	
Total Assets - net	528,821	528,821
Some of the City's revenues have been received and deferred under the modified accrual basis of accounting. These revenues are recognized under the accrual basis of accounting.		391
Governmental funds recognize expenditures for insurance using the purchases method. However, the Statement of Activities uses the accrual method and, thus, only the amount of insurance benefits are recognized as expense when it is consumed. The unconsumed portion is recorded as an asset.		7,977
Deferred Inflows - Pension		(20,224)
Deferred Outflows - Pension		28,512
Net Pension Obligation		(35,054)
Long-term liabilities, including notes and capital leases payable, are not due and payable in the current period and therefore are not reported in the funds.		(26,130)
Total net position of governmental activities		$ 1,045,757

The accompanying notes are an integral part of these financial statements.

CITY OF WHIGHAM, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2020

	General Fund	SPLOST Capital Projects Fund	SPLOST 2020 Capital Projects Fund	Confiscated Assets Special Revenue Fund	Total Governmental Funds
ASSETS					
Assets:					
Cash on hand and in banks	$ 465,673	$ -	$ -	$ -	$ 465,673
Taxes receivable	14,999	-	-	-	14,999
Due from other funds	3,184	-	-	-	3,184
Cash - restricted	-	89,536	13,357	-	102,893
Intergovernmental receivable	-	4,528	-	-	4,528
Total Assets	$ 483,856	$ 94,064	$ 13,357	$ -	$ 591,277
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 12,884	$ -	$ -	$ -	$ 12,884
Intergovernmental payable	12,238	-	-	-	12,238
Other accrued expenses	1,116	-	-	-	1,116
Due to other funds	-	3,184	-	-	3,184
Total Liabilities	26,238	3,184	-	-	29,422
Deferred Inflow of Resources:					
Unavailable revenue	391	-	-	-	391
Total Deferred Inflows of Resources	391	-	-	-	391
Fund Balances:					
Restricted for:					
Capital Projects	-	90,880	13,357	-	104,237
Unassigned	457,227	-	-	-	457,227
Total Fund Balances (deficit)	457,227	90,880	13,357	-	561,464
Total Liabilities, Deferred Inflows, and Fund Balances	$ 483,856	$ 94,064	$ 13,357	$ -	$ 591,277

The accompanying notes are an integral part of these financial statements.

CITY OF WHIGHAM, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	General Fund	SPLOST Capital Projects Fund	SPLOST 2020 Capital Projects Fund	Confiscated Assets Special Revenue Fund	Total Governmental Funds
REVENUES					
Taxes	$ 167,468	$ -	$ -	$ -	$ 167,468
Licenses & permits	4,263	-	-	-	4,263
Fines & forfeitures	26,498	-	-	-	26,498
Intergovernmental	47,673	38,546	13,593	-	99,812
Charges for services	2,744	-	-	-	2,744
Investment income	47	50	-	-	97
Miscellaneous	18,728	-	-	-	18,728
Total Revenues	267,421	38,596	13,593	-	319,610
EXPENDITURES					
Current Operating:					
General Government	190,538	-	236	-	190,774
Public Safety	297,920	-	-	56	297,976
Public Works	51,624	-	-	-	51,624
Capital Outlay:					
General Government	7,424	-	-	-	7,424
Public Safety	25,437	20,090	-	-	45,527
Public Works	2,953	-	-	-	2,953
Debt Service:					
Principal	-	13,003	-	-	13,003
Interest	-	1,400	-	-	1,400
Total Expenditures	575,896	34,493	236	56	610,681
Excess (Deficiency) of Revenues Over (Under) Expenditures	(308,475)	4,103	13,357	(56)	(291,071)
Other Financing Sources (Uses)					
Transfers In	295,032	-	-	-	295,032
Total Other Financing Sources (Uses)	295,032	-	-	-	295,032
Net Change in Fund Balance	(13,443)	4,103	13,357	(56)	3,961
Fund Balance - Beginning of Year	470,670	86,777	-	56	557,503
Fund Balance - End of Year	$ 457,227	$ 90,880	$ 13,357	$ -	$ 561,464

The accompanying notes are an integral part of these financial statements.

CITY OF WHIGHAM, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

Net change in fund balances - total governmental funds	$	3,961
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		1,576
Note payments are reported as expenditures in the governmental funds, but reduces the liability in the Statement of Net Position.		13,003
Governmental funds defer all tax revenues not collected within 60 days of year-end. However, the Statement of Activities uses the accrual method and, thus, the entire amount is recognized as revenue, regardless of the collection date.		(634)
Governmental funds recognize expenditures for insurance using the purchases method. However, the Statement of Activities uses the consumption method and, thus, only the amount of insurance benefits consumed are recognized.		773
Change in NPO, Deferred Inflows, and Deferred Outflows		544
Change in net position of governmental activities	$	19,223

The accompanying notes are an integral part of these financial statements.

CITY OF WHIGHAM, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2020

	Business-Type Activities - Enterprise Funds			
Assets	**Water**	**Light**	**Sanitation**	**Totals**
Current Assets:				
Cash on hand and in banks	$ -	$ 616,091	$ -	$ 616,091
Accounts receivable (net of allowance for doubtful accounts)	9,478	94,081	5,771	109,330
Prepaid Insurance	2,042	1,494	134	3,670
Restricted assets:				
Cash - Customer deposits	-	55,539	-	55,539
Noncurrent Assets:				
Land and construction in progress	-	18,600	-	18,600
Other capital assets, net of depreciation	302,987	81,176	-	384,163
Total Assets	314,507	866,981	5,905	1,187,393
Deferred outflows of resources				
Deferred outflows of resources-pension	5,979	12,205	-	18,184
Total Deferred outflows of resources	5,979	12,205	-	18,184
Liabilities				
Current liabilities:				
Accounts payable	163	48,638	4,929	53,730
Sales tax payable	-	4,478	-	4,478
Current liabilities payable from restricted assets:				
Customer deposits	7,379	55,539	-	62,918
Noncurrent liabilities:				
Net pension obligation	6,304	13,265	-	19,569
Total Liabilities	13,846	121,920	4,929	140,695
Deferred inflows of resources				
Deferred inflows of resources-pension	5,681	11,053	-	16,734
Total Deferred inflows of resources	5,681	11,053	-	16,734
Net Position				
Net investment in capital assets	302,987	99,776	-	402,763
Unrestricted	(2,028)	646,437	976	645,385
Total Net Position	$ 300,959	$ 746,213	$ 976	$ 1,048,148

The accompanying notes are an integral part of these financial statements.

CITY OF WHIGHAM, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	Business-Type Activities - Enterprise Funds			
	Water	**Light**	**Sanitation**	**Totals**
Operating Revenues				
Charges for services	$ 120,175	$ 944,229	$ 72,424	$ 1,136,828
Total operating revenues	120,175	944,229	72,424	1,136,828
Operating Expenses				
Salaries and benefits	48,422	80,660	-	129,082
Services and supplies	50,788	588,310	60,760	699,858
Depreciation	30,990	16,827	333	48,150
Total operating expenses	130,200	685,797	61,093	877,090
Operating income (loss)	(10,025)	258,432	11,331	259,738
Transfers in (out)	(19,836)	(263,568)	(11,628)	(295,032)
Change in Net Position	(29,861)	(5,136)	(297)	(35,294)
Net position - beginning - as previously reported	336,877	763,590	1,273	1,101,740
Prior period adjustment	(6,057)	(12,241)	-	(18,298)
Net position - beginning - as restated	330,820	751,349	1,273	1,083,442
Net position - end of year	$ 300,959	$ 746,213	$ 976	$ 1,048,148

The accompanying notes are an integral part of these financial statements.

CITY OF WHIGHAM, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	Business-Type Activities - Enterprise Funds			
	Water	**Light**	**Sanitation**	**Totals**
Cash Flows From Operating Activities				
Cash received from customers	$ 120,390	$ 950,541	$ 72,200	$ 1,143,131
Cash payments to suppliers for goods and services	(52,132)	(540,790)	(60,572)	(653,494)
Cash payments to employees for services	(48,422)	(80,660)	-	(129,082)
Net cash provided by operating activities	19,836	329,091	11,628	360,555
Cash Flows From Non-Capital Financing Activities				
Transfer in (out)	(19,836)	(263,568)	(11,628)	(295,032)
Net cash provided (used) by non-capital financing activities	(19,836)	(263,568)	(11,628)	(295,032)
Cash Flows From Capital & Related Financing Activities				
Acquisition and construction of capital assets	-	(50,488)	-	(50,488)
Net cash provided (used) for capital & related financing activities	-	(50,488)	-	(50,488)
Net increase (decrease) in cash & cash equivalents	-	15,035	-	15,035
Cash & cash equivalents at beg. of year	-	656,595	-	656,595
Cash & cash equivalents at end of year	$ -	$ 671,630	$ -	$ 671,630

The accompanying notes are an integral part of these financial statements.

CITY OF WHIGHAM, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	Business-Type Activities - Enterprise Funds			
	Water	**Light**	**Sanitation**	**Totals**
Reconciliation of Operating Income To Net Cash Provided by Operating Activities: Operating Income (loss)	$ (10,025)	$ 258,432	$ 11,331	$ 259,738
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	30,990	16,827	333	48,150
Change in assets & liabilities:				
(Increase) decrease in accounts receivable	504	6,668	(200)	6,972
(Increase) decrease in prepaid items	(289)	(356)	(24)	(669)
Increase (decrease) in accounts payable	(1,293)	45,355	188	44,250
Increase (decrease) in customer deposits	-	3,114	-	3,114
Increase (decrease) in sales taxes payable	-	(821)	-	(821)
Increase (decrease) in accrued expenses	(51)	(128)	-	(179)
Net cash provided by operating activities	$ 19,836	$ 329,091	$ 11,628	$ 360,555

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Whigham, Georgia, was incorporated under the provisions of the Basic Charter Act, of the Laws of 1953 of the State of Georgia, page 2413, as amended. The City's Charter was last amended by an act of the Georgia General Assembly on March 29, 1984 (House Bill No. 1612, Act 1189). The City operates under a Mayor-Council form of Government and provides the following services as authorized by its Charter: public safety (police), streets, sanitation, public improvements, water, electricity, and general administrative services.

The financial statements of the City consist only of the funds of the City. The City has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

The accounting policies of the City of Whigham, Georgia conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

A. PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY

Section 2100 of the standards published by the Governmental Accounting Standards Board (GASB) defines the reporting entity as the primary government and all its component units, if any. According to GASB-14, the identification of a financial reporting entity is based on the concept of financial accountability. GASB-14 defines a primary government as a government that:

(1) Has a separately elected governing body;
(2) Is legally separate;
(3) Is fiscally independent of other state and local governments.

For financial reporting purposes, in accordance with the criteria in GASB Standards, the City includes all funds, agencies, boards, commissions, and authorities that are within its primary government. A component unit is a legally separate organization for which elected officials of a primary government are financially accountable. There are three sets of criteria that the City evaluates to determine whether a potential component unit will be included in the reporting entity of the City of Whigham. They are (1) financial accountability; (2) financial accountability as a result of fiscal dependency; and, (3) misleading to exclude the component unit.

The City of Whigham, Georgia has also entered into an agreement with Grady County, Georgia and the City of Cairo, Georgia to help fund a joint development authority. The Joint Development Authority has a total of seven board members. The City appoints only one member to the Joint Development Authority Board. Since the City does not appoint a voting majority to the Joint Development Authority Board the financial statements do not report the financial activities of the Joint Development Authority.

Fire protection service is provided by an independently organized volunteer group. All expenditures paid by the City have been recognized in the General Fund and the City's share of general capital assets has been capitalized.

There are no other entities which have been excluded from the City's reporting entity.

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Joint Ventures

The City of Whigham, in conjunction with cities and counties in the fourteen (14) county Southwest Georgia area are members of the Southwest Georgia Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-32 provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The City paid annual dues in the amount of $524 to the RC for the year ended August 31, 2020. The RC Council membership is defined in State Law O.C.G.A. Section 50-8-34 and specifies that the chief elected official of the county and municipal governing authority be a member of the Council.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-32) defines RCs 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)

Separate Financial Statements may be obtained from:
Southwest Georgia Regional Commission
P.O. Box 346, 30 West Broad Street
Camilla, Georgia 31730-0346

Sanitary Landfill

The County entered an agreement with the City of Cairo, Georgia and the City of Whigham, Georgia on February 10, 1992 to deposit solid waste in the sanitary landfill operated by the City of Cairo. The agreement provides that each party will equitably share in the cost of the operation of the landfill. The agreement also provides that the City of Cairo will establish a sinking fund to meet future capital needs or expenditures that may be required to comply with local, state, or federal laws (i.e., ground water monitoring costs and other post closure costs). Should the City of Cairo incur any unexpected cost or additional requirements associated with post closure in excess of sinking/reserve funds retained, each party will make a contribution toward the additional costs in the percentage that shall equal the percentage of the total waste deposited at the landfill by the parties over the term of this agreement. The City of Whigham and Grady County shall not be required to make contributions toward additional costs that are due solely to the negligent act or intentional wrongful act of the City of Cairo in the administration of the landfill.

Each year, the City of Cairo provides to the City of Whigham and Grady County information regarding operation of the landfill during the previous year. If it is determined that the funds collected do not meet the cost of the operation of the landfill and sinking/reserve fund requirements, each party makes a contribution toward the deficit in a percentage that equals the percentage of the total waste deposited at the landfill by the parties. If it is determined that the funds collected exceed the cost of operation of the landfill, the excess is transferred to the sinking/reserve fund and each party is given credit in an amount based upon the percentage of waste deposited at the landfill by the parties toward any future deficit. Any excess that is accumulated over the term of the agreement is considered to be jointly owned by all parties based on the percentage of waste deposited at the landfill over the term of the agreement and will be disbursed at such time as there are no required costs to monitor the landfill. Separate financial statements are not prepared or issued by the sanitary landfill joint venture.

B. BASIS OF PRESENTATION

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the

City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as non-operating expenses.

The City reports the following major governmental funds:

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

SPLOST Capital Projects Fund – This is a capital projects fund established to account for all Special Purpose Local Option Sales Tax revenues as well as the specifically identified projects for which the SPLOST tax was established.

SPLOST 2020 Capital Projects Fund – This is a capital projects fund established to account for all Special Purpose Local Option Sales Tax revenues as well as the specifically identified projects for which the SPLOST tax was established.

Confiscated Assets Special Revenue Fund – This fund is used to account for the City's share of monies that have been forfeited through the court system that are legally restricted for law enforcement purposes.

The City reports the following major enterprise funds:

Water Fund – This fund accounts for the operation and maintenance of the City's water facilities.

Light Fund – This fund accounts for the operation and maintenance of the City's electrical facilities.

Sanitation Fund – This fund accounts for the operation and maintenance of the City's sanitation facilities.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

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

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

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

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

Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. CAPITAL ASSETS

Capital assets, which include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art, historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond one year are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Buildings, except those that are an ancillary part of a network of infrastructure assets, will not be considered infrastructure assets. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their

estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The standard capitalization thresholds for capitalizing assets for each major class of assets established by the Whigham City Council are detailed below:

Class of Asset	Capitalization Threshold	Control Threshold
Land/Land Improvements	Capitalize All	All
Building/Building Improvements	$ 2,500	$ 500
Facilities and Other Improvements	2,500	500
Infrastructure	50,000	50,000
Equipment	2,500	500
Furniture	2,500	500
Vehicles, Boats, and Aircraft	2,500	500
Software (developed or purchased)	2,500	500
Library Books/Materials (collections)	Capitalize All	All
Works of Art/Historical Treasures	Capitalize All	All
Leasehold Improvements	2,500	500

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest incurred during the construction phase of capital assets of business-type activities, net of related interest earned, is included as part of the capitalized value of the assets constructed. There were not any constructed projects with capitalized interest in the business-type activities for the year ended August 31, 2020.

Capital assets are depreciated over their estimated useful lives unless they are inexhaustible. Inexhaustible assets such as land improvements are not depreciated.

Depreciation is reported in the government-wide Statement of Activities and in the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position.

Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Assets Class	Estimated Useful Lives
Buildings/Building Improvements	20-50 years
Facilities and Other Improvements	10-60 years
Infrastructure	20 years
Equipment	3-20 years
Furniture & Fixtures	7 years
Vehicles	6-12 years

E. INVENTORIES AND PREPAID ITEMS

The City records the cost as an expense or expenditure at the time supplies are purchased. Since supplies are purchased as needed in operations, no inventory account is maintained. The cost of unexpended supplies, if any, is not material to the financial statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and proprietary fund financial statements. In the governmental fund statements those prepaids are recognized when purchased.

Prepaid expenses of the City consist of insurance expenses. The City had prepaid insurance expenses totaling $11,647 that will be expensed in the subsequent year.

F. COMPENSATED ABSENCES

Employees with less than 10 years of service may accumulate up to 120 hours. Employees with 10 through 20 years of service may accumulate up to 160 hours. Employees with 21 years or more can accumulate up to 200 hours. Leave in excess of the maximum will be forfeited. Employees may be paid up to 40 hours leave in lieu of vacation time the first pay period in December. A maximum of 360 hours sick leave may be accumulated; however, employees are not paid for the accumulated sick leave upon retirement or other termination. Traditionally, the unused vacation days paid in December have never been material to the financial statements. The City does not consider the potential liability material.

G. CASH AND CASH EQUIVALENTS

Cash shown on the balance sheet includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. This definition of cash and cash equivalents is used in the preparation of the Statement of Cash Flows for proprietary fund types.

H. PROPERTY TAXES

For fiscal year ending August 31, 2020, property taxes were levied on October 3, 2019 and were due and payable at that time. All unpaid taxes levied on October 3, 2019 became delinquent after December 23, 2019 and interest began accruing December 23, 2019.

Property tax revenues are recognized in the fiscal period for which they are levied and when they become available.

Property tax revenues are considered available when collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period.

I. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized in the governmental funds by the City. In encumbrance accounting, encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

There were no material purchase orders, contracts, or other commitments at year-end which should have been encumbered.

J. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to July 1, the Mayor submits to the City Council a proposed operating budget for the fiscal year beginning the following September 1. The operating budget includes proposed expenditures and the means of financing them.

2. At least two weeks subsequent to the Council's review of the proposed budget, a public hearing is held to discuss the budget.

3. Prior to September 1, the City Council reviews and adopts the budget.

The City of Whigham adopted a budget for the fiscal year ended August 31, 2020. Budget amounts were originally adopted by the City Council on August 13, 2019.

There were no encumbrances outstanding at year-end.

The City of Whigham adopts budgets for its General Fund, Confiscated Assets Fund, and all proprietary type funds (enterprise funds). Budgets for the General Fund and Confiscated Assets Fund are adopted on a cash basis and are not consistent with generally accepted accounting principles. The enterprise fund budgets are “fixed” budgets and are adopted for administrative and management purposes. Any revisions that alter the total expenditures of any fund must be approved by the City Council. The City Council amended the 2019-2020 budget once during the year. The legal level of budgetary control is at the department level.

The City has also adopted a project budget for the Special Purpose Local Option Sales Tax as approved by voters through the referendum. This project budget was prepared for the project life rather than the current fiscal year. Project appropriations for these budgets do not lapse at the end of each fiscal year but rather at the conclusion of the project.

K. INVESTMENTS

The City does not have any investments. Certificates of deposits are classified as cash.

L. RESTRICTED ASSETS

Certain resources of the Water Fund are classified as restricted assets on the balance sheet because their use is limited by the applicable bond covenant. The “water sinking reserve account” is used to segregate resources accumulated for debt service payments in the future. The “renewal and extension account” is used to report resources set aside to meet renewals and replacements. Restricted assets also consist of customer deposits for utility services.

M. FUND EQUITY

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

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

- *Nonspendable* – Fund balances are reported as nonspendable 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 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.

- *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 adoption of a resolution. The City Council also 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 nor committed. Through resolution, the City Council has authorized the City's finance committee or the City's finance director to assign fund balances.

- *Unassigned* – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balance may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use 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 represents the difference between assets and liabilities. Net position – net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

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

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NOTE 2 - LONG-TERM OBLIGATIONS

Notes Payable

Governmental Activities

The City entered into a note on June 1, 2017 with Decatur County Board of Commissioners for radio system for $41,233 bearing interest at 2.47%. At August 31, 2020, the balance of the note outstanding was $18,664.

The City entered into a note on March 1, 2018 with BB&T for a 2018 Dodge Ram Police Truck for $29,115 bearing interest at 4.63%. At August 31, 2020, the balance of the note outstanding was $7,465.

Long-term Obligation Activity

Changes in long-term obligations for the year ended August 31, 2020 are as follows:

	Beginning of Year	Increases	Decreases	End of Year	Due within One Year
Governmental activities:					
Notes Payable	$ 39,131	$ -	$ 13,002	$ 26,129	$ 13,506
Total all long-term debt	$ 39,131	$ -	$ 13,002	$ 26,129	$ 13,506

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities	Light Fund
Automobiles	$ 54,053	$ 24,050
Less: Accumulated depreciation	(38,131)	(24,050)
Total	$ 15,922	$ -

*The above accumulated depreciation for assets acquired through capital lease includes current period depreciation expense of $4,776 in the Governmental Activities and $0 in the Light Fund.

Debt service requirements on long-term debt at August 31, 2020 are as follows:

Year Ending August 31	Governmental Activities Notes Payable		
	Principal	Interest	Totals
2021	$ 13,506	$ 896	$ 14,402
2022	6,220	372	6,592
2023	6,403	189	6,592
Totals	$ 26,129	$ 1,457	$ 27,586

NOTE 3 – CAPITAL ASSETS

Capital asset activities for the fiscal year ended August 31, 2020 are as follows:

Governmental Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 52,081	$ -	$ -	$ 52,081
Land under roads	16,589	-	-	16,589
Total capital assets not being depreciated	68,670	-	-	68,670
Capital assets being depreciated:				
Automobiles	169,919	-	-	169,919
Buildings & Improvements	508,707	9,140	-	517,847
Machinery & Equipment	269,143	45,527	-	314,670
Total capital assets being depreciated	947,769	54,667	-	1,002,436
Less accumulated depreciation for:				
Automobiles	105,684	13,179	-	118,863
Buildings & Improvements	235,595	16,293	-	251,888
Machinery & Equipment	147,915	23,619	-	171,534
Total Accumulated Depreciation	489,194	53,091	-	542,285
Governmental activities capital assets being depreciated, net	458,575	1,576	-	460,151
Governmental activities capital assets, net	$ 527,245	$ 1,576	$ -	$ 528,821

Depreciation expense was charged to the governmental functions as follows:

General Government	$ 10,366
Public Safety	22,330
Public Works	20,395
Total governmental depreciation expense:	$ 53,091

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Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 18,600	$ -	$ -	$ 18,600
Total capital assets not being depreciated	18,600	-	-	18,600
Capital Assets being depreciated:				
Facilities and Other Improvements	1,343,617	-	-	1,343,617
Machinery & Equipment	96,408	-	-	96,408
Automobile Equipment	184,916	50,488	-	235,404
Total capital assets being depreciated:	1,624,941	50,488	-	1,675,429
Less accumulated depreciation for:				
Facilities and Other Improvements	1,037,934	27,725	-	1,065,659
Machinery & Equipment	49,191	5,141	-	54,332
Automobile Equipment	155,990	15,285	-	171,275
Total accumulated depreciation	1,243,115	48,151	-	1,291,266
Business-type activities capital assets being depreciated, net	381,826	2,337	-	384,163
Business-type activities capital assets, net	$ 400,426	$ 2,337	$ -	$ 402,763

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NOTE 4 - DEPOSITS AND INVESTMENTS

The City's deposits at year-end were entirely covered by federal depository insurance or collateral held by the City's custodial bank in the City's name or held by a third party bank in the City's name. Statutes authorize the City to invest in obligations of this state or other states, obligations issued by the U.S. government, obligations fully insured or guaranteed by the U.S. government or by a government agency of the U.S., obligations of any corporation of the U.S. government, prime bankers acceptances, the Local Government Investment Pool established by state law, repurchase agreements, and obligations of other political subdivisions of the State of Georgia. The City had no investments at year-end. All certificates of deposit owned by the City of Whigham are classified as cash.

The City had no custodial credit risk as of August 31, 2020 because all deposits and investments are either FDIC insured or collateralized with securities held by the City's custodial bank in the City's name or held by a third party bank in the City's name.

NOTE 5 - CONTINGENT LIABILITIES

At year-end, to the best of the City's knowledge there was no pending or threatened litigation against the City of Whigham, Georgia and there were no unasserted claims or assessments.

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NOTE 6 - CONDENSED FINANCIAL STATEMENTS - ENTERPRISE FUNDS

Condensed Statement of Net Position

Description	Water Fund	Light Fund	Sanitation Fund	Totals
Assets				
Current	$ 11,520	$ 767,205	$ 5,905	$ 784,630
Capital	302,987	99,776	-	402,763
Total Assets	314,507	866,981	5,905	1,187,393
Deferred outflows of resources	5,979	12,205	-	18,184
Liabilities				
Current	7,542	108,655	4,929	121,126
Non-current	6,304	13,265	-	19,569
Total Liabilities	13,846	121,920	4,929	140,695
Deferred inflows of resources	5,681	11,053	-	16,734
Net Position				
Net investment in capital assets	302,987	99,776	-	402,763
Unrestricted	(2,028)	646,437	976	645,385
Total Net Position	$ 300,959	$ 746,213	$ 976	$ 1,048,148

Condensed Statement of Revenues, Expenses and Change in Net Position

Description	Water Fund	Light Fund	Sanitation Fund	Totals
Operating revenues				
Charges for Services	$ 120,175	$ 944,229	$ 72,424	$ 1,136,828
Total operating revenues	120,175	944,229	72,424	1,136,828
Operating expenses (Excluding Depreciation)	99,210	668,970	60,760	828,940
Depreciation	30,990	16,827	333	48,150
Total operating expenses	130,200	685,797	61,093	877,090
Operating income (loss)	(10,025)	258,432	11,331	259,738
Transfers in (out)	(19,836)	(263,568)	(11,628)	(295,032)
Changes in net position	(29,861)	(5,136)	(297)	(35,294)
Beginning net assets - as previously stated	336,877	763,590	1,273	1,101,740
Prior period adjustment	(6,057)	(12,241)	-	(18,298)
Beginning net position - as restated	330,820	751,349	1,273	1,083,442
Ending net position	$ 300,959	$ 746,213	$ 976	$ 1,048,148

Condensed Statement of Cash Flows

Description	Water Fund	Light Fund	Sanitation Fund	Totals
Net cash provided (used) by operating activities	$ 19,836	$ 329,091	$ 11,628	$ 360,555
Net cash provided (used) by non-capital financing activities	(19,836)	(263,568)	(11,628)	(295,032)
Net cash provided (used) by capital and related financing activities	-	(50,488)	-	(50,488)
Net increase (decrease) in cash & cash equivalents	-	15,035	-	15,035
Beginning cash & cash equivalents	-	656,595	-	656,595
Ending cash & cash equivalents	$ -	$ 671,630	$ -	$ 671,630

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NOTE 7 - PENSION PLAN

Plan Description. The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple employer public retirement system that acts as a common investment and administrative agent for cities, counties, authorities and agencies in the State of Georgia. The plan is also a defined benefit plan. Regular, full-time employees who work at least 30 hours per week may participate in the plan with no waiting period. Normal retirement age is 65, provided the employee has at least 5 years of credited service. Early retirement is permitted between ages 55 and 65 provided the employee has at least 10 years of credited service. City employees who retire at or after normal retirement age with ten years of credited service are entitled to an annual retirement benefit payable for life. The monthly benefit is determined by first calculating the employee's average monthly earnings from the consecutive 5-year period prior to retirement in which earnings are the highest. The sum of 1% of the average monthly earnings which are less than or equal to the amount for covered compensation for the employee's year of birth and 1.75% of average monthly earnings in excess of the covered compensation is multiplied by the number of years of credited service at retirement age to calculate the dollar value of the monthly retirement benefit.

Also, the pension plan provides for retirement and death benefits. These benefit provisions and all other requirements are established by state statute and City ordinance obligations to contribute are established by Council resolutions; amendments to the plan must also be authorized by resolution of the Council. Employees are not required to contribute to the plan. The Georgia Municipal Employees Benefits System issues a publicly available financial report, which may be obtained by contacting The Burgess Building in Atlanta, Georgia.

Contribution. Employees make no contributions to the plan. The City is required to contribute the amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. The City's actuarially determined contribution rate for the fiscal year ending August 31, 2020 was $18,441, or 5.47% of covered employee payroll.

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Net Investment Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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 asset allocation as of March 31, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00%	6.41%
International equity	20.00%	6.96%
Real estate	10.00%	4.76%
Global fixed income	5.00%	3.06%
Domestic fixed income	20.00%	1.96%
Cash	0.00%	
Total	100.00%	

Rate of Return: 7.375% On-going basis, based on long-term expected rate of return on pension plan investments.

Plan termination basis: 2.12% (30-year Treasury Securities Rate as of August 2019, published in September 2019; 3.04% last year).

Significant actuarial assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all prior periods included in the measurement:

The significant actuarial assumptions used in the current valuation, as of January 1, 2020 are:

Net Investment Rate of Return	7.375%	
Projected Salary Increases	2.25%	plus service based merit increases
Cost of Living Adjustments	0.00%	

The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

Net Pension Liability. The components of the net pension liability of participating entities were as follows:

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2018*	$ 353,597	$ 314,143	$ 39,454
Change for the year:			-
Service Cost	7,288	-	7,288
Interest	26,948	-	26,948
Difference between expected and actual expenses	10,879	-	10,879
Employer Contributions	-	15,438	(15,438)
Employee Contributions	-	-	-
Net Investment Income	-	9,660	(9,660)
Benefit Payments	(3,166)	(3,166)	-
Administrative Expense	-	(2,937)	2,937
Other Changes	(7,785)	-	(7,785)
Net Changes	34,164	18,995	15,169
Balance at September 30, 2019**	$ 387,761	$ 333,138	$ 54,623

**Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2019 are used to measure TPL as of September 30, 2018. The balances as of September 30, 2018 constitute measurements of the NPL for the fiscal year ending August 31, 2019.*

***Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2020 are used to measure TPL as of September 30, 2019. The balances as of September 30, 2019 constitute measurements of the NPL for the fiscal year ending August 31, 2020.*

Discount Rate. The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
	$ 119,898	$ 54,623	$ 687

Pension Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions

Pension expense for the year ended

Service Cost	$ 7,288
Interest on TPL	26,948
Employee contributions	-
Administrative cost	2,937
Expected return on assets	(23,911)
Expensed portion of current year period differences between expected and actual experience in TPL	1,207
Expensed portion of current year period assumption change	(865)
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investment earnings	2,851
Current year recognition of deferred inflows and outflows established in prior years	(1,742)
Total Expense	$ 14,713

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At Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 45,366	$ (28,042)
Changes in assumptions	1,330	(8,248)
Net difference between projected and actual earnings on pension plan investments	-	(668)
Total	$ 46,696	$ (36,958)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ending August 31:	
2020	$ (1,052)
2021	260
2022	3,646
2023	4,974
2024	1,544
2025 and Thereafter	366
Total	$ 9,738

Table of Plan Coverage as of Valuation Date

Category	For Valuation as of January 1, 2020	For Valuation as of January 2, 2019	Change From Prior Year
Active participants in valuation			
Number of employees	9	7	28.60%
Number of elected officials	0	0	N/A
Average age	40.2	41.7	N/A
Average service	10.6	12.1	N/A
Total valuation payroll	$ 332,370	$ 276,413	20.20%
Average valuation payroll	36,930	39,488	-6.50%
Account balances	N/A	N/A	N/A
Total active vested participants	4	4	0.00%
Vested terminated participants	1	0	N/A
Retired participants			
Number in pay status	0	0	N/A
Average age	0.0	0.0	N/A
Average monthly benefit	$ -	$ -	N/A
Disabled participants			
Number in pay status	0	0	N/A
Average age	0.0	0.0	N/A
Average monthly benefit	$ -	$ -	N/A
Beneficiaries	0	0	N/A

NOTE 8 - RESTRICTED ASSETS

Restricted Assets consist of cash in bank accounts and receivables for the following purposes:

Assets:	SPLOST Capital Projects Fund	SPLOST 2020 Capital Projects Fund	Enterprise Funds	Total
Special Purpose Local Option Sales Tax - Cash	$ 13,357	$ 89,536	$ -	$ 102,893
Utility Deposits	-	-	55,539	55,539
Totals	$ 13,357	$ 89,536	$ 55,539	$ 158,432

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Agreement with Municipal Electric Authority of Georgia

On June 1, 1999, the City became a beneficiary of the Municipal Competitive Trust (the "Trust"). The Trust was created by MEAG in anticipation of future deregulation of the electric industry, which will provide customers with a choice among electric suppliers for their retail electric power supply. This restructuring is expected to affect customers assigned to electrical systems of political subdivisions, which are wholesale customers of MEAG, such as the City of Whigham. MEAG's expectation, after such legislation is effective, is that market rates for power will be significantly lower than the costs of power generated by MEAG facilities. The purpose of the Trust is to provide a means for MEAG and its wholesale customers who elect to become beneficiaries of the Trust to mitigate the change to full competition as a result of anticipated deregulation.

The Trust creates an account for the City of Whigham, within which up to five (5) subaccounts may be created by the Beneficiary. The City of Whigham has created and participates in the following subaccounts:

Credit Support Operating Trust Account. This subaccount may be funded from the funds allocated to the Beneficiary's account in MEAG's Rate Stabilization Reserve Fund or the Beneficiary's Discretionary Reserve with MEAG, or from other available funds. Prior to the Actual Deregulation Date (12/31/2018), these funds may only be withdrawn to mitigate wholesale cost or rate increases. The balance in the Credit Support Operating Trust Account at August 31, 2020 was $0.

Flexible Operating Account. This subaccount may be funded from contributions by a Beneficiary from any funds it has available for such purposes. While the City has the right to withdraw these funds at its discretion, no funds were withdrawn from this account during the year ended August 31, 2020. The balance in the Flexible Operating Trust Account at August 31, 2020 was $359,586 and has been recorded as an asset of the City.

Reserve Funded Debt Trust Account. This subaccount may be funded from contributions by MEAG from any funds it has available for such purposes. The City has no right to withdraw these funds unless MEAG consents in writing. In the event that MEAG consents to the withdrawal, the withdrawn funds shall be applied to the outstanding balance of the Beneficiary's current Monthly Billings on account of its entitlement or obligation share(s) under its Power Sales Contract of MEAG's annual Project Generation Fixed Charges. After December 31, 2025, the City may have any remaining funds in this subaccount applied to its obligations for debt service, if any, or dispersed to the City if its

obligations for debt service are fulfilled. As of August 31, 2020, the balance in the Reserve Funded Debt Trust Account was $252,435.

At August 31, 2020, MEAG's outstanding principal portion of the debt was $2,043,109,221. The City of Whigham's guarantee varies by individual projects undertaken by the Authority and the principal portion was $1,646,483 at August 31, 2020.

NOTE 10 - RISK MANAGEMENT

The City of Whigham is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Georgia Interlocal Risk Management Agency. This membership allows the City to share liability, crime, motor vehicle, and property damage risks.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities - GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

The City of Whigham must participate at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:

- To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.
- To select a person to serve as a member representative.
- To allow GIRMA and its agents reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.
- To allow attorneys appointed by GIRMA 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 Fund or Funds established by GIRMA.
- To assist and cooperate in the defense and settlement of claims against the City. To furnish full cooperation to GIRMA's attorneys, claims adjusters, service company, and any agent employee, officer, or independent contractor of GIRMA relating to the purposes of GIRMA. To follow all loss reduction and prevention procedures established by GIRMA. To furnish to GIRMA such budget, operating and underwriting information as may be requested. To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the City participates. The City of Whigham retains the first $1,000 of each risk of loss in the form of a deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to the $1,000 deductible.

The basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary.

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

The City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds 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 Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding or compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

NOTE 11 - INTERFUND BALANCES AND ACTIVITIES

Transfers to/from funds at August 31, 2020 consisted of the following:

	Transfer In	
Transfer Out	**General Fund**	**Total**
Light Fund	$ 263,568	$ 263,568
Water Fund	19,836	19,836
Sanitation Fund	11,628	11,628
Totals	$ 295,032	$ 295,032

Transfers between the major enterprise funds and the General Fund were for operating purposes.

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Interfund Receivables and Payables

The composition of interfund balances as of August 31, 2020, is as follows:

Due to/from other funds:

	Interfund Receivable (Due From)	Interfund Payable (Due To)
Governmental Funds		
General Fund	$ 3,184	$ -
SPLOST Capital Projects Fund	-	3,184
Totals	$ 3,184	$ 3,184

Balances due to the General Fund are as follows:

These funds were paid to the City of Whigham in error from Grady County. They were repaid to the county from the general fund bank account. The SPLOST fund now owes $3,184 to the general fund. These funds will now be repaid the general fund during the upcoming fiscal year.	$ 3,184
	$ 3,184

NOTE 12 - SPECIAL PURPOSE LOCAL OPTION SALES TAX REFERENDUM

On September 13, 2011, a referendum was held to determine whether to impose a 1% Special Purpose Local Option Sales Tax in Grady County, Georgia. This referendum was passed with part of the revenue collected being designated for the City of Whigham as detailed on the “Schedule of Special Purpose Local Option Sales Taxes” as listed in the Table of Contents. The tax period for this referendum is not to exceed six (6) years.

On November 5, 2019, a referendum was held to determine whether to impose a 1% Special Purpose Local Option Sales Tax in Grady County, Georgia. This referendum was passed with part of the revenue collected being designated for the City of Whigham as detailed on the “Schedule of Special Purpose Local Option Sales Taxes” as listed in the Table of Contents. The tax period for this referendum is not to exceed six (6) years.

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NOTE 13 – PRIOR PERIOD ADJUSTMENT

	Governmental Activities	Business-Type Funds	
		Water Fund	Light Fund
Beginning net position, as previously reported	$ 1,008,236	$ 336,877	$ 763,590
Prior period entry to restate retained earnings to put allocated portion of Net Pension Liability, Deferred Inflows, and Deferred Outflows in Business-Type Funds	18,298	(6,057)	(12,241)
Beginning net position, as restated	$ 1,026,534	$ 330,820	$ 751,349

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 25, 2021, which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WHIGHAM, GEORGIA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
REVENUES				
Taxes	$ 139,955	$ 157,588	$ 178,889	$ 21,301
Licenses & Permits	3,201	3,201	4,263	1,062
Fines, Forfeitures & Penalties	50,000	50,000	26,498	(23,502)
Intergovernmental	-	30,670	47,673	17,003
Charges for Services	1,004	1,004	2,744	1,740
Investment Income	-	-	47	47
Miscellaneous	90,836	92,903	18,728	(74,175)
Total Revenues	284,996	335,366	278,842	(56,524)
EXPENDITURES				
General Government				
Financial Administration Department	236,071	196,845	196,134	711
Total General Government	236,071	196,845	196,134	711
Public Safety				
Police Department	261,589	270,119	268,538	1,581
Fire Department	25,576	46,884	46,602	282
Total Public Safety	287,165	317,003	315,140	1,863
Public Works				
Street Department	58,706	55,348	54,577	771
Total Public Works	58,706	55,348	54,577	771
Culture and Recreation				
Recreation Department	10,000	-	-	-
Total Recreation	10,000	-	-	-
Total Expenditures - All Departments	591,942	569,196	565,851	3,345
Net Excess before Operating Transfers	(306,946)	(233,830)	(287,009)	(53,179)
Net Excess (deficit)	$ (306,946)	$ (233,830)	$ (287,009)	$ (53,179)

Budgetary Comparison Reporting

In accordance with Governmental Accounting Standards Board Statement Number 34 (GASB 34), paragraph 131 the City has presented the budgetary comparison schedule using the same format, terminology, and classifications as the budget document. Additionally, the City has presented in Note A to the budgetary comparison schedule information that reconciles budgetary information to generally accepted accounting principles (GAAP) information. The City has explained in Note A the basis differences in accordance with GASB, 34 paragraph 131.

CITY OF WHIGHAM, GEORGIA
BUDGETARY COMPARISON SCHEDULE - CONFISCATED ASSETS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
REVENUES				
Confiscated Assets	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Public Safety	56	56	56	-
Total Expenditures	56	56	56	-
Excess (Deficiency) of Revenues Over Expenditures	(56)	(56)	(56)	-
Fund Balance-beginning of period	-	-	-	-
Fund Balance-end of period	$ (56)	$ (56)	$ (56)	$ -

CITY OF WHIGHAM, GEORGIA
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

Note A - Explanation of Differences between Revenues, Expenditures and Other Financing Sources (Uses) for Budgetary Funds on a Budgetary Basis and Governmental Funds on a GAAP Basis

Financial Statements:	General Fund	Confiscated Assets Special Revenue Fund
Revenues		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	$ 278,842	$ -
Adjustments:		
The City budgets revenues on the cash basis of accounting rather than the modified accrual basis of accounting.	(11,421)	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 267,421	$ -
Expenditures		
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedules	$ 565,851	$ 56
Adjustments:		
The City budgets expenditures on the cash basis of accounting rather than the modified accrual basis of accounting.	10,045	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 575,896	$ 56

CITY OF WHIGHAM, GEORGIA
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

Note B to Required Supplementary Information

Budget and Budgetary Accounting

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

1. Prior to July 1, the Mayor submits to the City Council a proposed operating budget for the fiscal year beginning the following September 1. The operating budget includes proposed expenditures and the means of financing them.

2. At least two weeks subsequent to the Council's review of the proposed budget, a public hearing is held to discuss the budget.

3. Prior to September 1, the City Council reviews and adopts the budget.

The City of Whigham adopted a budget for the fiscal year ended August 31, 2020. Budget amounts were originally adopted by the City Council on August 13, 2019.

There were no encumbrances outstanding at year-end.

The City of Whigham adopts budgets for its General Fund and all proprietary type funds (enterprise funds). Budgets for the General Fund are adopted on a cash basis and are not consistent with generally accepted accounting principles. The enterprise fund budgets are “fixed” budgets and are adopted for administrative and management purposes. Any revisions that alter the total expenditures of any fund must be approved by the City Council. The City Council amended the 2019-2020 budget once during the year. The legal level of budgetary control is at the department level.

The City has also adopted a project budget for the Special Purpose Local Option Sales Tax as approved by voters through the referendum. This project budget was prepared for the project life rather than the current fiscal year. Project appropriations for these budgets do not lapse at the end of each fiscal year, but rather at the conclusion of the project.

City of Whigham, Georgia
Required Supplementary Information - Pension Plan
August 31, 2020

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

	2020	2019	2018	2017	2016	2015
Service cost	$ 7,288	$ 6,517	$ 7,929	$ 7,073	$ 10,886	$ 11,860
Interest	26,948	23,731	24,464	21,836	17,057	14,559
Differerences between expected and actual experience	10,879	13,455	(40,062)	5,002	33,725	9,122
Changes of assumption	(7,785)	-	1,896	-	-	(3,316)
Changes in benefit terms	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(3,166)	-	-	-	-	-
Net change in total pension liability	34,164	43,703	(5,773)	33,911	61,668	32,225
Total Pension Liability as of beginning	353,597	309,894	315,667	281,756	220,088	187,863
Total Pension Liability as of ending (a)	$ 387,761	$ 353,597	$ 309,894	$ 315,667	$ 281,756	$ 220,088
Employer contributions	$ 15,438	$ 16,958	$ 16,116	$ 17,491	$ 16,854	$ 15,687
Employee contributions (including buyback)	-	-	-	-	-	-
Net investment income	9,660	27,614	34,881	21,728	1,354	16,466
Benefit payments, including refunds of employer contributions	(3,166)	-	-	-	-	-
Administrative expense	(2,937)	(3,219)	(3,525)	(1,704)	(1,950)	(1,610)
Other	-	-	-	-	-	-
Net Change in fiduciary net position	18,995	41,353	47,472	37,515	16,258	30,543
Plan fiduciary net position - beginning	314,143	272,790	225,318	187,803	171,545	141,002
Plan fiduciary net position - ending (b)	$ 333,138	$ 314,143	$ 272,790	$ 225,318	$ 187,803	$ 171,545
Net Pension Liability - ending: (a)-(b)	$ 54,623	$ 39,454	$ 37,104	$ 90,349	$ 93,953	$ 48,543
Plan's fiduciary net position as a percentage of the total pension liability	85.91%	88.84%	88.03%	71.38%	66.65%	77.94%
Covered-employee payroll	$ 332,370	$ 276,413	$ 232,689	$ 255,019	$ 240,064	$ 255,236
Net pension liability as a percentage of covered-employee payroll	16.43%	14.27%	15.95%	35.43%	39.14%	19.02%

Note: This schedule will present 10 year of information once the data is available.

City of Whigham, Georgia
Required Supplementary Information - Pension Plan
August 31, 2020

SCHEDULE OF CONTRIBUTIONS

	2020	2019	2018	
Actuarially determined contribution	--*	$ 15,299	$ 17,109	
Contributions in relation to the actuarially determined contribution	--*	16,725	15,683	**
Contribution deficiency (excess)	--*	(1,426)	1,426	
Covered-employee payroll	--*	$ 276,413	$ 232,689	***
Contributions as a percentage of covered-employee payroll	--*	6.05%	6.74%	

* 2020 information will be determined after fiscal year end and will be included in the 2021 valuation report.

** Contributions are recorded based on date of receipt into the GMEBS trust. Minor timing issues in receipt of monthly payments are not indicative of non-compliance with GMEBS funding policy. A plan is in compliance with the GMEBS funding policy if it pays either the dollar amount or the percentage of employee-covered payroll of the actuarially determined contributions.

*** 2019 covered payroll is based on data collected as of September 30, 2018 for the 2019 actuarial valuation.

City of Whigham, Georgia
Required Supplementary Information - Pension Plan
August 31, 2020

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date	The actuarially determined contribution was determined as of January 1, 2020, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution will be reported for the fiscal year ending August 31, 2021.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	N/A
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	
age 66-71	25%
72 and over	100%
Mortality	Pri-2012

STATE REPORTING REQUIREMENTS

CITY OF WHIGHAM, GEORGIA
SCHEDULE OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

September 13, 2011, Ref.

Project	Original Estimated Cost	Current Estimated Cost	Expenditure Prior Year		Expenditure Current Year	Expenditure Total	Estimated Percentage of Completion
Streets, Sidewalks, Curbs, Gutters and Drainage	$ 142,000	$ 142,000	$ 57,735	*	$ -	$ 57,735	
Public Safety Equipment	100,000	100,000	50,197	*	34,493	84,690	
Utilities Distribution Infrastructure	100,000	100,000	81,031	*	-	81,031	
Total	$ 342,000	$ 342,000	$ 188,963		$ 34,493	$ 223,456	65.34%

*"Prior Year" balances restated to reflect the proper balance rolled forward.

CITY OF WHIGHAM, GEORGIA
SCHEDULE OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

November 5, 2019 Ref.

Project	Original Estimated Cost	Current Estimated Cost	Expenditure			Estimated Percentage of Completion
			Prior Year	Current Year	Total	
Streets and Sidewalks	$ 242,000	$ 242,000	$ -	$ 236	$ 236	
Utility Distribution and Equipment	75,000	75,000	-	-	-	
Public Safety	25,000	25,000		-		
Total	$ 342,000	$ 342,000	$ -	$ 236	$ 236	0.07%

GOVERNMENTAL AUDITING STANDARDS REQUIREMENTS

Perry L. Henry, LLC

Certified Public Accountant and Consultant

Perry L. Henry, CPA, CGFM, CFS

Members

American Institute of Certified Public Accountants

Georgia Society of Certified Public Accountants

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

Honorable Mayor and Members of
the City Council
City of Whigham, Georgia

We have audited, in accordance with the auditing standard generally accepted in the United States of America and 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, and each major fund of the City of Whigham as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Whigham's financial statements, and have issued our report thereon dated May 25, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item *2007-1* that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Whigham's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our test disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of Whigham's Response to Findings

The City of Whigham's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The City of Whigham's response was not subjected to the auditing procedure 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.

Perry L. Henry, LLC

Perry L. Henry, LLC
Bainbridge, Georgia
May 25, 2021

CITY OF WHIGHAM, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
AUGUST 31, 2020

2007-1

Condition: The City does not have adequate separation of duties in various functions of the City.

Criteria: Internal control is a process designed to provide reasonable assurance about your objectives with regard to reliability of:

(1) financial reporting,
(2) effectiveness and efficiency of operations, and
(3) compliance with applicable laws and regulations.

Cause: There is an insufficient number of staff to properly segregate functions of all transaction cycles.

Effect: The City will be exposed to increased risk that the financial statements will be materially misstated whether by error or intentionally and not be detected in a timely manner.

Recommendation: The City should monitor the control environment and continue to strengthen controls where cost effective.

Management's Response: Management agrees. A corrective action plan will be issued under a separate cover.