

CITY OF CAMILLA, GEORGIA  
FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

CITY OF CAMILLA  
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FOR THE YEAR ENDED SEPTEMBER 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council  
City of Camilla, Georgia

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Camilla, Georgia ("the City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 as of September 30, 2022, 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.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and pension related schedules on pages 48 - 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. Management has elected not to include the Management's Discussion and Analysis. Our opinion on the basic financial statements is not affected by the missing information. 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.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying One Percent Special Purposes Sales Tax Project Cost Schedules, Schedule of Expenditures of State Awards and the Community Block Grant Program Project Cost Schedule and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 One Percent Special Purposes Sales Tax Project Cost Schedules, Schedule of Expenditures of State Awards, the Community Block Grant Program Project Cost Schedule, and Schedule of Expenditures of Federal Awards 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 September 29, 2023, on our consideration of the City'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

solely 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 the effectiveness of the City's 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's internal control over financial reporting and compliance.

*Valenti, Rackley & Assoc., LLC*

Valenti, Rackley & Associates, LLC  
Valdosta, Georgia

September 29, 2023

CITY OF CAMILLA  
GOVERNMENT-WIDE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 1,551,427	\$ 4,858,768	\$ 6,410,195
Investments			
MEAG Municipal Competitive Trust - Flexible Operations Account	-	5,626,715	5,626,715
South Georgia Governmental Services Authority	-	1,749,160	1,749,160
Receivables, net:			
Taxes	4,032	-	4,032
Accounts	35,397	3,013,336	3,048,733
Notes receivable	344,215	-	344,215
Other governments	97,567	-	97,567
Other	-	-	-
Internal balances	2,808,703	(2,808,703)	-
Inventories	549,789	113,764	663,553
Prepaid expenses	151,731	70,873	222,604
Restricted assets:			
Cash	2,287,979	-	2,287,979
Total current assets	<u>7,830,840</u>	<u>12,623,913</u>	<u>20,454,753</u>
<b>Noncurrent assets</b>			
Restricted assets:			
Cash	-	573,908	573,908
MEAG Municipal Competitive Trust - New Generation Account	-	6,191,978	6,191,978
Notes receivable	-	-	-
Prepaid electricity	-	343,575	343,575
Capital assets:			
Land and other nondepreciable assets	923,363	1,366,673	2,290,036
Other capital assets, net of accumulated depreciation	14,385,590	40,823,227	55,208,817
Total noncurrent assets	<u>15,308,953</u>	<u>49,299,361</u>	<u>64,608,314</u>
Deferred outflows of resources related to pensions	<u>521,729</u>	<u>239,062</u>	<u>760,791</u>
Total assets and deferred outflows of resources	<u>23,661,522</u>	<u>62,162,336</u>	<u>85,823,858</u>

See accompanying notes to the basic financial statements.

CITY OF CAMILLA  
GOVERNMENT-WIDE STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
<b>Current Liabilities:</b>			
Accounts payable	260,378	2,031,852	2,292,230
Accrued expenses	140,571	96,136	236,707
Sales tax payable	-	253,887	253,887
Customer deposits	363,813	42,054	405,867
Notes and mortgages payable	25,598	580,251	605,849
	<u>790,360</u>	<u>3,004,180</u>	<u>3,794,540</u>
<b>Noncurrent Liabilities:</b>			
Notes and mortgages payable	81,223	6,787,920	6,869,143
Customer deposits and debt reserve	-	790,045	790,045
Net pension liability	463,157	207,526	670,683
Total noncurrent liabilities	<u>544,380</u>	<u>7,785,491</u>	<u>8,329,871</u>
Deferred inflows of resources:			
Deferred inflows - pensions	705,168	283,025	988,193
Total deferred inflows of resources	<u>705,168</u>	<u>283,025</u>	<u>988,193</u>
Total liabilities and deferred inflows of resources	<u>2,039,908</u>	<u>11,072,696</u>	<u>13,112,604</u>
<b>NET POSITION</b>			
Net investment in capital assets	15,308,953	34,821,729	50,130,682
Restricted for:			
Loan payments	-	573,908	573,908
Power generation	-	6,191,978	6,191,978
Repairs	104,238		104,238
Capital projects	854,190	-	854,190
American Rescue Plan Act	1,636,982		1,636,982
Unrestricted	<u>3,717,251</u>	<u>9,502,025</u>	<u>13,219,276</u>
Total net position	<u>\$ 21,621,614</u>	<u>\$ 51,089,640</u>	<u>\$ 72,711,254</u>

See accompanying notes to the basic financial statements.



CITY OF CAMILLA  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Function/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>PRIMARY GOVERNMENT:</b>							
Governmental activities:							
General government	\$ 2,323,489	\$ 393,454	\$ -	\$ 429,589	\$ (1,500,446)	\$ -	\$ (1,500,446)
Judicial	106,475	26,846	-	-	(79,629)	-	(79,629)
Public safety	3,369,571	324,754	44,989	118,368	(2,881,460)	-	(2,881,460)
Public works	1,810,826	192,151	-	678,974	(939,701)	-	(939,701)
Housing and development	825,193	-	-	-	(825,193)	-	(825,193)
Total governmental activities	<u>8,435,554</u>	<u>937,205</u>	<u>44,989</u>	<u>1,226,931</u>	<u>(6,226,429)</u>		<u>(6,226,429)</u>
Business-type activities:							
Water and sewer	2,939,120	2,891,703	-	844,986	-	797,569	797,569
Gas	4,577,127	4,836,739	-	-	-	259,612	259,612
Electric	13,017,243	15,485,912	-	-	-	2,468,669	2,468,669
CNS Cable	86,837	936,660	-	-	-	849,823	849,823
Solid waste	768,648	798,282	-	-	-	29,634	29,634
Airport	711,671	453,697	-	209,427	-	(48,547)	(48,547)
Total business-type activities	<u>22,100,646</u>	<u>25,402,993</u>	<u>-</u>	<u>1,054,413</u>	<u>-</u>	<u>4,356,760</u>	<u>4,356,760</u>
Total primary government	<u>\$30,536,200</u>	<u>\$26,340,198</u>	<u>\$ 44,989</u>	<u>\$ 2,281,344</u>	<u>(6,226,429)</u>	<u>4,356,760</u>	<u>(1,869,669)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					1,236,878	-	1,236,878
Other taxes					626,789	-	626,789
ARPA revenue					937,127	-	937,127
Investment income					13,220	545,042	558,262
Other revenue					14,106	-	14,106
Gain on disposal of capital assets, net of losses					6,104	26,380	32,484
Total general revenues					<u>2,834,224</u>	<u>571,422</u>	<u>3,405,646</u>
Transfers					<u>4,837,104</u>	<u>(4,837,104)</u>	<u>-</u>
Total general revenues and transfers					<u>7,671,328</u>	<u>(4,265,682)</u>	<u>3,405,646</u>
Change in net position					1,444,899	91,078	1,535,977
Net position - beginning					<u>20,176,715</u>	<u>50,998,562</u>	<u>71,175,277</u>
Net position - ending					<u>\$ 21,621,614</u>	<u>\$ 51,089,640</u>	<u>\$ 72,711,254</u>

See accompanying notes to the basic financial statements.

CITY OF CAMILLA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022

	General Fund	Capital Projects Funds		Special Revenue Funds			Total Governmental Funds
		SPLOST	TSPLOST	ARPA	Hotel/Motel Tax	Development Authority	
<b>ASSETS</b>							
Cash	\$ 1,454,336	\$ -	\$ -	\$ -	\$ -	\$ 97,091	\$ 1,551,427
Receivables, net:							
Taxes	4,032	-	-	-	-	-	4,032
Accounts	35,397	-	-	-	-	-	35,397
Notes	-	-	-	-	-	344,215	344,215
Other governments	1,680	48,262	47,625	-	-	-	97,567
Other	-	-	-	-	-	-	-
Advances to other funds	3,216,102	-	211,544	-	-	-	3,427,646
Inventories	42,781	-	-	-	-	507,008	549,789
Prepaid expenses	151,731	-	-	-	-	-	151,731
Restricted asset:							
Cash	104,238	329,778	216,981	1,636,982	-	-	2,287,979
Total assets	<u>\$ 5,010,297</u>	<u>\$ 378,040</u>	<u>\$ 476,150</u>	<u>\$ 1,636,982</u>	<u>\$ -</u>	<u>\$ 948,314</u>	<u>\$ 8,449,783</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>							
Liabilities							
Accounts payable	\$ 260,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,221
Accrued expenses	140,728	-	-	-	-	-	140,728
Advances from other funds	211,544	-	-	-	-	407,399	618,943
Customer deposits	363,813	-	-	-	-	-	363,813
Total liabilities	<u>976,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>407,399</u>	<u>1,383,705</u>
<b>FUND BALANCES</b>							
Nonspendable	3,003,215	-	-	-	-	851,223	3,854,438
Restricted	104,238	378,040	476,150	1,636,982	-	-	2,595,410
Committed	966,602	-	-	-	-	-	966,602
Assigned	408,540	-	-	-	-	-	408,540
Unassigned	(448,604)	-	-	-	-	(310,308)	(758,912)
Total fund balances	<u>4,033,991</u>	<u>378,040</u>	<u>476,150</u>	<u>1,636,982</u>	<u>-</u>	<u>540,915</u>	<u>7,066,078</u>
Total liabilities and fund balances	<u>\$ 5,010,297</u>	<u>\$ 378,040</u>	<u>\$ 476,150</u>	<u>\$ 1,636,982</u>	<u>\$ -</u>	<u>\$ 948,314</u>	<u>\$ 8,449,783</u>

See accompanying notes to the basic financial statements.

CITY OF CAMILLA  
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2022

Fund Balance - Total Governmental Funds \$ 7,066,078

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental capital assets	32,966,881	
Less accumulated depreciation	<u>(17,657,928)</u>	15,308,953

Long-term debt is not reported in governmental activities because it is not expected to be liquidated with expendable available financial resources but is reported in the government-wide financial statements (106,821)

Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Net pension liability (463,157)

Deferred outflow and inflow of resources to pensions are applicable to future periods and, therefore, are not reported in the fund financial statements.

Deferred outflows of resources - pensions	521,729	
Deferred inflows of resources - pensions	<u>(705,168)</u>	<u>(183,439)</u>

Net position of governmental activities \$ 21,621,614

See accompanying notes to the basic financial statements.

CITY OF CAMILLA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Capital Projects Funds		Special Revenue Funds			Total Governmental Funds
		SPLOST	TSPLOST	ARPA	Hotel/Motel Tax	Development Authority	
<b>REVENUES</b>							
Property taxes	\$ 1,236,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,236,878
Other taxes	727,067	-	-	-	29,478	-	756,545
Licenses and permits	69,149	-	-	-	-	-	69,149
Fines and forfeitures	271,752	-	-	-	-	-	271,752
Charges for services	304,653	-	-	-	-	-	304,653
Intergovernmental	106,511	577,323	570,744	935,832	-	-	2,190,410
Building and land rental	138,348	-	-	-	-	1,950	140,298
Interest income	4,367	82	261	1,294	-	8,853	14,857
Miscellaneous revenues	175,136	-	-	-	-	13,009	188,145
<b>Total revenues</b>	<b>3,033,861</b>	<b>577,405</b>	<b>571,005</b>	<b>937,126</b>	<b>29,478</b>	<b>23,812</b>	<b>5,172,687</b>
<b>EXPENDITURES</b>							
Current:							
General government	2,284,519	313,365	-	-	-	2,689	2,600,573
Judicial	107,887	-	-	-	-	-	107,887
Public safety	3,330,567	86,507	-	-	-	-	3,417,074
Public works	1,504,587	21,584	321,834	-	-	-	1,848,005
Housing and development	818,798	-	-	-	29,478	-	848,276
Debt service							
Principal	-	28,621	-	-	-	-	28,621
Interest	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>8,046,358</b>	<b>450,077</b>	<b>321,834</b>	<b>-</b>	<b>29,478</b>	<b>2,689</b>	<b>8,850,436</b>
Excess (deficiency) of revenues over (under) expenditures	(5,012,497)	127,328	249,171	937,126	-	21,123	(3,677,749)
<b>OTHER FINANCING SOURCES</b>							
Transfers, net	5,054,300	-	-	(217,196)	-	-	4,837,104
Proceeds from sale of capital assets	6,104	-	-	-	-	-	6,104
<b>Total other financing resources</b>	<b>5,060,404</b>	<b>-</b>	<b>-</b>	<b>(217,196)</b>	<b>-</b>	<b>-</b>	<b>4,843,208</b>
Net change in fund balances	47,907	127,328	249,171	719,930	-	21,123	1,165,459
Fund balances - beginning	3,986,084	250,712	226,979	917,052	-	519,792	5,900,619
<b>Fund balances - ending</b>	<b>\$ 4,033,991</b>	<b>\$ 378,040</b>	<b>\$ 476,150</b>	<b>\$ 1,636,982</b>	<b>\$ -</b>	<b>\$ 540,915</b>	<b>\$ 7,066,078</b>

See accompanying notes to the basic financial statements.

CITY OF CAMILLA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net change in fund balances - total governmental funds \$ 1,165,459

Amounts reported for governmental activities on the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures while governmental  
activities report depreciation expense to allocate those expenditures over the  
life of the assets.

Assets capitalized	1,183,379	
Depreciation expense	<u>(893,922)</u>	289,457

The issuance of long-term debt provides current financial resources to governmental  
funds, while the repayment of the principal of long-term debt consumes the current  
financial resources of the governmental funds. Neither transactions has any effect on  
net assets. Also, governmental funds report the effect of premiums and discounts, and  
similar items when debt is first issued, whereas these amounts are deferred and  
amortized in the statement of activities. These amounts are the net effect of these  
differences in the treatment of long-term debt and related items.

Proceeds from borrowing	(135,442)	
Debt payments made	<u>28,621</u>	(106,821)

Some expenses reported in the statement of activities do not require the use of  
current financial resources and, therefore, are not reported as expenditures in  
governmental funds.

Pension cost		<u>96,804</u>
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Change in net position of governmental activities		<u><u>\$ 1,444,899</u></u>
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See accompanying notes to the basic financial statements.

CITY OF CAMILLA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2022

Business Type Activities - Enterprise Funds

	Water and Sewer	Gas	Electric	CNS Cable	Solid Waste	Airport	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>							
Current assets:							
Cash	\$ 196,253	\$ 805,562	\$ 3,856,953	\$ -	\$ -	\$ -	\$ 4,858,768
Investments:							-
MEAG Mun. Competitive Trust:							
Flexible Operating Account	-	-	5,626,715	-	-	-	5,626,715
South Georgia Governmental Services Authority	-	-	-	1,749,160	-	-	1,749,160
Accounts receivable, net	162,567	447,263	1,147,986	1,197,554	52,958	5,008	3,013,336
Intergovernmental receivable	-	-	-	-	-	113,764	113,764
Inventories	-	-	-	-	-	70,873	70,873
Total current assets	<u>358,820</u>	<u>1,252,825</u>	<u>10,631,654</u>	<u>2,946,714</u>	<u>52,958</u>	<u>189,645</u>	<u>15,432,616</u>
Noncurrent assets:							
Restricted assets:							
Cash	573,908	-	-	-	-	-	573,908
MEAG Mun. Competitive Trust:							
New Generation Account	-	-	6,191,978	-	-	-	6,191,978
Prepayments and deferred charges:							
Prepaid electricity	-	-	343,575	-	-	-	343,575
Capital assets:							
Land	1,225,703	40,479	14,640	15,000	-	70,851	1,366,673
Construction in progress	-	-	-	-	-	-	-
Other capital assets, net of accumulated depreciation	<u>27,683,906</u>	<u>3,769,098</u>	<u>5,042,633</u>	<u>123,927</u>	<u>-</u>	<u>4,203,663</u>	<u>40,823,227</u>
Net capital assets	<u>28,909,609</u>	<u>3,809,577</u>	<u>5,057,273</u>	<u>138,927</u>	<u>-</u>	<u>4,274,514</u>	<u>42,189,900</u>
Total noncurrent assets	<u>29,483,517</u>	<u>3,809,577</u>	<u>11,592,826</u>	<u>138,927</u>	<u>-</u>	<u>4,274,514</u>	<u>49,299,361</u>
Total assets	<u>29,842,337</u>	<u>5,062,402</u>	<u>22,224,480</u>	<u>3,085,641</u>	<u>52,958</u>	<u>4,464,159</u>	<u>64,731,977</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows from pensions	<u>83,690</u>	<u>35,912</u>	<u>86,517</u>	<u>-</u>	<u>14,334</u>	<u>18,609</u>	<u>239,062</u>
Total deferred outflows of resources	<u>83,690</u>	<u>35,912</u>	<u>86,517</u>	<u>-</u>	<u>14,334</u>	<u>18,609</u>	<u>239,062</u>
Total assets and deferred outflows of resources	<u>\$ 29,926,027</u>	<u>\$ 5,098,314</u>	<u>\$ 22,310,997</u>	<u>\$ 3,085,641</u>	<u>\$ 67,292</u>	<u>\$ 4,482,768</u>	<u>\$ 64,971,039</u>

See accompanying notes to the basic financial statements.

CITY OF CAMILLA  
STATEMENT OF NET POSITION (CONTINUED)  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2022

	Business Type Activities - Enterprise Funds						
	Water and Sewer	Gas	Electric	CNS Cable	Solid Waste	Airport	Total
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	\$ 162,338	\$ 420,542	\$ 1,055,471	\$ 303,160	\$ 51,921	\$ 38,420	\$ 2,031,852
Accrued expenses	37,456	14,199	33,079	-	4,193	7,209	96,136
Sales tax	-	14,864	131,998	105,664	-	1,361	253,887
Notes payable, current	580,251	-	-	-	-	-	580,251
Customer deposits	-	-	-	42,054	-	-	42,054
Total current liabilities	780,045	449,605	1,220,548	450,878	56,114	46,990	3,004,180
Noncurrent liabilities:							
Advances from other funds	-	-	-	2,808,703	-	-	2,808,703
Customer deposit and debt reserve	790,045	-	-	-	-	-	790,045
Notes payable, net of current portion	6,787,920	-	-	-	-	-	6,787,920
Net pension liability	88,638	36,055	49,975	-	17,088	15,770	207,526
Total liabilities	8,446,648	485,660	1,270,523	3,259,581	73,202	62,760	13,598,374
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows from pensions	79,424	44,308	124,213	-	13,655	21,425	283,025
Total deferred inflows of resources	79,424	44,308	124,213	-	13,655	21,425	283,025
Total liabilities/def. inflows of resources	8,526,072	529,968	1,394,736	3,259,581	86,857	84,185	13,881,399
<b>NET POSITION</b>							
Net investment in capital assets	21,541,438	3,809,577	5,057,273	138,927	-	4,274,514	34,821,729
Restricted for loan payments	573,908	-	-	-	-	-	573,908
Restricted for power generation	-	-	6,191,978	-	-	-	6,191,978
Unrestricted	(715,391)	758,769	9,667,010	(312,867)	(19,565)	124,069	9,502,025
Total net position	<u>\$ 21,399,955</u>	<u>\$ 4,568,346</u>	<u>\$ 20,916,261</u>	<u>\$ (173,940)</u>	<u>\$ (19,565)</u>	<u>\$ 4,398,583</u>	<u>\$ 51,089,640</u>

See accompanying notes to the basic financial statements.

CITY OF CAMILLA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Business Type Activities - Enterprise Funds

	Water and Sewer	Gas	Electric	CNS Cable	Solid Waste	Airport	Total
<b>OPERATING REVENUES</b>							
Charges for services	\$ 1,913,868	\$ 4,822,901	\$ 14,614,169	\$ 17,444	\$ 780,982	\$ 414,867	\$ 22,564,231
Sewer surcharges	342,802	-	-	-	-	-	342,802
Availability charges	583,436	-	-	-	-	-	583,436
MEAG discretionary income	-	-	638,235	-	-	-	638,235
Rental	11,508	-	103,336	9,000	-	38,770	162,614
Miscellaneous	40,089	13,838	130,172	910,216	17,300	60	1,111,675
Total operating revenues	<u>2,891,703</u>	<u>4,836,739</u>	<u>15,485,912</u>	<u>936,660</u>	<u>798,282</u>	<u>453,697</u>	<u>25,402,993</u>
<b>OPERATING EXPENSES</b>							
Personnel services	610,761	328,132	858,636	-	114,378	165,430	2,077,337
Contractual services	268,851	26,345	29,230	5,000	2,242	28,821	360,489
Cost of sales/service	-	3,974,417	11,567,349	46,365	630,717	275,298	16,494,146
Repairs	441,238	35,321	58,574	1,902	8,089	10,941	556,065
Materials and supplies	187,360	36,950	158,892	18,420	13,222	12,221	427,065
Rental	43,772	17,228	1,482	-	-	10,200	72,682
Depreciation	1,145,133	129,942	295,943	15,019	-	171,823	1,757,860
Other	32,937	28,792	47,137	131	-	32,998	141,995
Total operating expenses	<u>2,730,052</u>	<u>4,577,127</u>	<u>13,017,243</u>	<u>86,837</u>	<u>768,648</u>	<u>707,732</u>	<u>21,887,639</u>
Operating income (loss)	161,651	259,612	2,468,669	849,823	29,634	(254,035)	3,515,354
<b>NONOPERATING INCOME (EXPENSES)</b>							
Investment income	196	2,680	(37,321)	579,487	-	-	545,042
Interest expense	(209,068)	-	-	-	-	(3,939)	(213,007)
Gain on disposition of capital assets	26,380	-	-	-	-	-	26,380
Total nonoperating revenue (expenses)	<u>(182,492)</u>	<u>2,680</u>	<u>(37,321)</u>	<u>579,487</u>	<u>-</u>	<u>(3,939)</u>	<u>358,415</u>
<b>GRANTS, CONTRIBUTIONS AND TRANSFERS</b>							
Capital grants and contributions	844,986	-	-	-	-	209,427	1,054,413
Transfers, net	(443,920)	(719,005)	(3,289,154)	(469,991)	(49,913)	134,879	(4,837,104)
Total grants and contributions and transfers	<u>401,066</u>	<u>(719,005)</u>	<u>(3,289,154)</u>	<u>(469,991)</u>	<u>(49,913)</u>	<u>344,306</u>	<u>(3,782,691)</u>
Change in net position	380,225	(456,713)	(857,806)	959,319	(20,279)	86,332	91,078
Net position, beginning of year	21,019,730	5,025,059	21,774,067	(1,133,259)	714	4,312,251	50,998,562
Net position, end of year	<u>\$ 21,399,955</u>	<u>\$ 4,568,346</u>	<u>\$ 20,916,261</u>	<u>\$ (173,940)</u>	<u>\$ (19,565)</u>	<u>\$ 4,398,583</u>	<u>\$ 51,089,640</u>

See accompanying notes to the basic financial statements.



CITY OF CAMILLA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Business Type Activities - Enterprise Funds

	Water and Sewer	Gas	Electric	CNS Cable	Solid Waste	Airport	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
Receipts from customers and users	\$ 2,872,853	\$ 4,656,631	\$15,606,130	\$ 94,580	\$ 799,884	\$ 374,919	\$24,404,997
Other receipts	40,089	13,838	130,172	32,969	17,300	60	234,428
Interfund receipts (payments)	-	-	-	-	-	-	-
Payments to employees (or for their benefit) for services provided	(622,607)	(334,500)	(876,755)	-	(116,368)	(168,689)	(2,118,919)
Payments to suppliers for goods or services	(824,869)	(3,886,766)	(11,743,077)	(44,842)	(650,903)	(369,230)	(17,519,687)
Net cash provided (used) by operating activities	<u>1,465,466</u>	<u>449,203</u>	<u>3,116,470</u>	<u>82,707</u>	<u>49,913</u>	<u>(162,940)</u>	<u>5,000,819</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers (to) from other funds	(443,920)	(719,005)	(3,289,154)	(469,991)	(49,913)	134,879	(4,837,104)
Net cash provided (used) by noncapital financing activities	<u>(443,920)</u>	<u>(719,005)</u>	<u>(3,289,154)</u>	<u>(469,991)</u>	<u>(49,913)</u>	<u>134,879</u>	<u>(4,837,104)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Proceeds from issuance of long-term debt	315,296	-	-	-	-	-	315,296
Proceeds from the sale of assets	26,380	-	-	-	-	-	26,380
Capital grants and contributions	844,986	-	-	-	-	209,427	1,054,413
Acquisition and construction of capital assets	(1,416,692)	(30,197)	(54,102)	-	-	(177,427)	(1,678,418)
Principal paid on capital debt	(721,299)	-	-	-	-	-	(721,299)
Interest paid on capital debt	(209,068)	-	-	-	-	(3,939)	(213,007)
Net cash provided (used) by noncapital financing activities	<u>(1,160,397)</u>	<u>(30,197)</u>	<u>(54,102)</u>	<u>-</u>	<u>-</u>	<u>28,061</u>	<u>(1,216,635)</u>

See accompanying notes to the basic financial statements.

CITY OF CAMILLA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Business Type Activities - Enterprise Funds

	Water and Sewer	Gas	Electric	CNS Cable	Solid Waste	Airport	Total
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Change in Investments	-	-	3,408,793	(192,203)	-	-	3,216,590
Interest/investment income	196	2,680	(37,321)	579,487	-	-	545,042
Net cash provided by investing activities	196	2,680	3,371,472	387,284	-	-	3,761,632
Net increase in cash	(138,655)	(297,319)	3,144,686	-	-	-	2,708,712
Balances - beginning	908,816	1,102,881	712,267	-	-	-	2,723,964
Balances - ending	<u>\$ 770,161</u>	<u>\$ 805,562</u>	<u>\$ 3,856,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,432,676</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>							
Operating income (loss)	\$ 161,651	\$ 259,612	\$ 2,468,669	\$ 849,823	\$ 29,634	\$ (254,035)	\$ 3,515,354
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation expense	1,145,133	129,942	295,943	15,019	-	171,823	1,757,860
Change in assets and liabilities:							
Receivables, net	43,009	(166,270)	250,390	(851,165)	18,902	(78,718)	(783,852)
Due to/from other funds	-	-	-	-	-	-	-
Customer deposits	(21,770)	-	-	42,054	-	-	20,284
Prepaid expenses	-	-	21,349	-	-	-	21,349.0
Pension related balances	(11,846)	(6,368)	(18,119)	-	(1,990)	(3,259)	(41,582)
Accounts payable and accrued expenses	149,289	232,287	98,238	26,976	3,367	34,623	544,780
Inventory	-	-	-	-	-	(33,374)	(33,374)
Net cash provided by operating activities	<u>\$ 1,465,466</u>	<u>\$ 449,203</u>	<u>\$ 3,116,470</u>	<u>\$ 82,707</u>	<u>\$ 49,913</u>	<u>\$ (162,940)</u>	<u>\$ 5,000,819</u>

See accompanying notes to the basic financial statements.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Based in the aforementioned criteria, the operations and accounts of the Development Authority of the City of Camilla, Georgia are included as part of the City's reporting entity as a component unit. The financial statements of the Development Authority are maintained as a special revenue fund and are combined with those for the governmental activities and are shown on pages 4 and 6 of this report in the Development of Authority column. The Authority does not issue separate annual financial statements on its' operations. See note 14 for further discussion concerning the Development Authority of the City of Camilla, Georgia.

The following units are not component units of the City and their operations are not included in this report:

Mitchell County Library  
Camilla Chamber of Commerce  
Downtown Camilla Development Authority  
Camilla Housing Authority

Transactions with these units, if any, are based on contractual agreements and have been budgeted as a part of the regular operations of the City.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. With respect to proprietary activities, including component units, the City has adopted GASB Statement of Accounting Standards No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Financial Statement Presentation

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34. This Statement establishes new financial reporting requirements for state and local governments throughout the United States. Its implementation creates new information and restructures much of the information that governments have presented in the past. The GASB'S intent is to make annual reports more comprehensive and easier to understand.

GASB 34 took effect for entities the size of the City of Camilla during the fiscal year ended September 30, 2003. One of the changes required by GASB 34 is the presentation of current and accumulated depreciation by activity including the recording and presentation of infrastructure assets. Another important change is the requirement to present original adopted budgets as well as the final amended budgets in the budgetary comparison statements.

The government-wide financial statement (i.e. the statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Certain indirect costs have been included as part of the program expenses for various functional activities.

Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City has elected to have all funds, including its component unit, treated as major funds for this report.

Fund Financial Types

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. In this report, the various funds are grouped into following fund types:

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental Fund Types

General Fund – to account for the general operations of the City, including all financial transactions not required to be accounted for in another fund.

Special Revenue Funds – to account for grant receipts and other receipts where the funds are required by law or contract to be segregated or where expenditures are restricted. The City’s special revenue funds consist of the following:

- ARPA fund – the fund holds federal funds received by the City to be used in accordance with the American Rescue Plan Act of 2021.
- Hotel/Motel tax fund - the fund collects tax from local motels at 5% of customer rate and uses its resources for economic development and tourism.
- Development Authority of the City of Camilla, Georgia fund – The fund, a component unit, owns the City’s industrial park and generates revenue by selling this property to new or growing businesses The fund uses its resources for economic development and tourism.

The City’s Capital Projects Funds consist of the following:

- SPLOST fund - reports the City’s receipts and expenditures of special local option sales tax amounts and is reported as a Capital Projects Fund as required by the Georgia uniform chart of accounts.
- TSPLOST fund - reports the City’s receipts and expenditures of transportation special local option sales tax amounts and is reported as a Capital Projects Fund as required by the Georgia uniform chart of accounts.

Proprietary Fund Types (Business Type – Activities)

Enterprise Funds – to account for activities that are financed and operated in a manner similar to private business enterprises – where the intent is that the cost of providing services on a continuing basis be recovered through user charges. The City’s Enterprise Funds consist of the following:

- Water and Sewer System – Provides residential and commercial water and sewer service
- Gas System – Provides residential and commercial natural gas service
- Electric System – Provides residential and commercial electricity service
- CNS Cable System – Provides billing and support services for SGGSA. See Note 16
- Solid Waste – Provides residential and commercial garbage service
- Airport – Provides airport services to both private and business aircraft

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; the basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the flow of economic resources measurement focus and the accrual basis of accounting. The flow of economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses including operating grants, investment earnings and interest expense.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for services, interest income, and intergovernmental revenues. All other governmental fund revenues are recognized when received.

Budget

The City's budget is prepared in accordance with Section 4.2 of the City Charter and is based on the previous year actual amounts and anticipated changes. The City Manager is directed to execute the budget as funds become available, with non-budgeted items in excess of \$10,000 requiring approval of the City Council. The budget is adopted on the basis of generally accepted accounting principles (except that depreciation is not budgeted) and includes anticipated revenues and expenditures for all Governmental and Proprietary funds and a capital expenditure budget for all funds and departments. The City's policy for the legal level of budgetary control is at the individual department level for each fund.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The budget process used to establish the budgetary data reflected in the financial statements is as follows:

- During the early fall of each year, all department heads submit anticipated revenue and expense figures to the City Manager. The City Manager and Finance Director use this information to formulate a tentative budget.
- Public hearings are held to obtain citizens' input.
- During the last City Council meeting in September, the budget for the next fiscal year is approved.
- Budget amendments are approved by the City Council during the year, as necessary.

The Development Authority of City of Camilla, Georgia, a component unit, adopts an annual budget each year based on anticipated receipts and disbursements, primarily loan activity. Other activities the Authority may have cannot be anticipated and is generally handled through budget amendments.

Bank Deposits and Investments

The City Council has selected three depositories and has given the City Manager the responsibility of investing idle funds. The City Manager has the authority to choose the types of deposits and investments made. The City's practice is to limit deposits and investments to insured and/or collateralized bank accounts, including checking, money market, savings, and certificates of deposit. Investments, other than deposit accounts, are approved individually by the City Council.

The Federal Deposit Insurance Corporation provides protection of City and Authority cash and investments as well as qualified pledged securities by the institutions holding the assets.

State statutes authorize the City and the Authority to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by as government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers acceptances; the local government investment pool established by Georgia law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia; and, additionally, certificates of deposits, NOW accounts and money market accounts of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that a portion of such investment shall be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to 110 percent of funds on deposit at the institution.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument can be exchanged in a current transaction between willing parties.

Encumbrances

The City does not use the encumbrance system of accounting.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Inventory

Expendable supplies are recorded as expenditures at the time items are purchased. Inventoried items, consisting of fuel and repair parts, are stated at the lower of cost or market on a first-in first-out basis.

Land and buildings held for resale to new industry by the Development Authority of the City of Camilla, Georgia, a component unit, are reported as inventory.

Prepaid Expenses

Prepaid expenses for governmental funds consist of required sales tax deposits held by the State of Georgia and prepayments into the City's group medical self-insurance plan in excess of claims. These costs are recognized when the related expenses become due and payable.

Prepaid expenses for proprietary funds consist of electricity cost purchased from the City of Lafayette, Georgia, under a contract through 2037 and prepaid electricity cost paid to the Municipal Electric Authority of Georgia to be used for bonded debt payments. These costs are recognized each year under the straight-line method over the life of the respective contracts.

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 or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. All infrastructure owned by the City has been capitalized. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over three years of useful life. Infrastructure assets capitalization is decided on an individual project basis, but generally all projects with costs of \$25,000 or more are capitalized. Depreciation has been calculated on each class of depreciable property using the straight-line method.

Estimated useful lives, based on the City's asset history, are as follows:

Buildings	20-50 years
Infrastructure	40 years
Machinery and equipment	5-10 years
Improvements	20 years
Vehicles	3-10 years
Facilities	20-50 years



CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Previously, interest cost incurred on the construction of capital assets by Proprietary funds was capitalized as part of the cost of the related projects. Effective January 1, 2020, in accordance with GASB Statement 89, construction period interest is to be treated as an expense in the period incurred rather than capitalized. The City had no construction related interest for the year ended September 30, 2022.

Cash and Cash Equivalents

For the purposes of the statement of cash flows for the proprietary funds the City considers all deposits in banks, certificates of deposit and savings accounts, including restricted cash, as cash and cash equivalents. See Note 7 for details of restricted cash. In addition, funds held in the City's MEAG Municipal Competition Trust-Flexible Operating Account are available to the City at any time and are thus considered cash equivalents. Generally, all cash and investments with maturity dates of three months or less and all that are available upon demand without penalty are considered to be cash and cash equivalents.

Leases that Do Not Transfer Ownership of the Underlying Asset

*Lessee.* At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be paid during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payment made. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the useful life of the asset or the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

*Lessor.* At the commencement of a lease, the City initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured at the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, plus certain initial direct costs. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Key estimates and judgments related to leases receivable include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged as the discount rate. When the interest rate charged is not specified, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments due to the City over the term of the lease and residual value guarantee payments that are fixed in substance.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable and deferred inflows of resources.

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

The City allocates to the proprietary funds an indirect cost percentage of information technology services and salaries and wages and related costs of personnel who perform administrative services for those funds but are paid through the General Fund along with other indirect costs deemed necessary for their operations. During the year ended September 30, 2022, transfers to the general fund for administrative services were as follows:

Water & sewer	\$ 200,000
Electric	486,920
Gas	300,000
Solid waste	30,000
CNS cable	469,991
Total	<u><u>\$ 1,486,911</u></u>

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

- 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 creditor’s, 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 or motion. The Council may also 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 or motion, the City Council has authorized the City’s Finance Director or City Manager 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 criteria. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of the 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

See Note 20 for details of the City’s amounts in each classification.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Net Position

Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. 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 using the same definition as used for restricted fund balance as described in the section above. All other net position balances 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 is available.

Deferred Outflows/Inflows of Resources

The City implemented GASB Statements No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and No. 65, Items Previously Reported as Assets and Liabilities, as of October 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows or resources and the concept of net position as the residual of all other elements presented in a statement of financial position.

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The city reports deferred inflows of resources related to its deferred benefit pension plan. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Risk Management

The City of Camilla 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 joined the Georgia Interlocal Risk Management Agency on January 31, 1988. This membership allows the City to share liability, crime, motor vehicle and property damage risk.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 governments. 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 Camilla retains the first \$5,000 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 deductible.

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

During the years ending September 30, 2020, 2021, and 2022, the City paid claims each year (up to the deductible) totaling, \$2,920, \$15,000 and \$22,788 respectively. The City is not aware of any claims, which the City is liable for up to the deductible which were outstanding and unpaid at September 30, 2022. No provisions have been made in the financial statements for the year ended September 30, 2022 for any estimate of potential unpaid claims.

The City’s responsibilities to the above risk pool 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 Description 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 has elected to manage its risk for worker’s compensation through the purchase of commercial insurance.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Group Medical Benefits

The City is self-insured for group medical benefits up to \$50,000 annually per participant. The self-insurance program is administered by a third-party Insurance Service Company. Insurance and administrative costs are allocated to the general fund and the various proprietary funds based on cost per employee developed by the Insurance Service Company. The City pays set premiums into a separate bank account and the administrator uses the account to pay claims as they are submitted. At September 30, 2022, the bank account balance was \$128,13 more than all claims incurred by employees through that date including all claims paid through January 2023. This amount was allocated to the general fund and the various proprietary funds as a reduction in insurance cost and is shown as prepaid insurance on the General Fund's books.

Accounting Pronouncement Adopted

Effective January 1, 2022, the City adopted Governmental Accounting Standards (GASB) Statement No. 87, *Leases*. The primary objective of this statement is to better meet the information needs of the users by improving accounting and financial reporting of leases by governments. This statement increased the usefulness of the government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The adoption of this accounting pronouncement did not require a restatement of the beginning net position.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 2 - CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Beginning Balance	Additions	Disposals	Reclassifications	Ending Balance
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 859,063	\$ -	\$ -	\$ -	\$ 859,063
Construction in progress	765,800	4,502	-	(706,002)	64,300
Total capital assets not being depreciated	1,624,863	4,502	-	(706,002)	923,363
Capital assets being depreciated					
Buildings	8,107,464	-	-	-	8,107,464
Improvements	1,523,933	488,910	-	706,002	2,718,845
Equipment and vehicles	4,522,951	259,048	-	-	4,781,999
Infrastructure	16,004,291	430,919	-	-	16,435,210
Total assets being depreciated	30,158,639	1,178,877	-	706,002	32,043,518
Less accumulated depreciation for:					
Buildings	(4,350,634)	(215,653)	-	-	(4,566,287)
Improvements	(1,399,535)	-	-	-	(1,399,535)
Equipment and vehicles	(2,930,214)	(319,661)	-	-	(3,249,875)
Infrastructure	(8,083,623)	(358,608)	-	-	(8,442,231)
Total accumulated depreciation	(16,764,006)	(893,922)	-	-	(17,657,928)
Total capital assets being depreciated, net	13,394,633	284,955	-	706,002	14,385,590
Governmental activities capital assets, net	<u>\$ 15,019,496</u>	<u>\$ 289,457</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,308,953</u>
Business-type activities:					
Capital assets not being depreciated					
Land and improvements	\$ 1,366,673	\$ -	\$ -	\$ -	\$ 1,366,673
Construction in progress	170,855	-	-	(170,855)	-
Total capital assets not being depreciated	1,537,528	-	-	(170,855)	1,366,673
Capital assets being depreciated					
Buildings	2,465,326	-	-	-	2,465,326
Improvements	98,650	-	-	-	98,650
Equipment and vehicles	2,806,443	264,084	-	-	3,070,527
Facilities	60,032,960	1,414,334	-	170,855	61,618,149
Total assets being depreciated	65,403,379	1,678,418	-	170,855	67,252,652

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 2 - CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Additions	Disposals	Reclassifications	Ending Balance
Less accumulated depreciation for:					
Buildings	(1,120,308)	(63,199)	-	-	(1,183,507)
Improvements	(98,650)	-	-	-	(98,650)
Equipment and vehicles	(1,793,736)	(213,989)	-	-	(2,007,725)
Facilities	(21,658,872)	(1,480,671)	-	-	(23,139,543)
Total accumulated depreciation	(24,671,566)	(1,757,859)	-	-	(26,429,425)
Total capital assets being depreciated, net	40,731,813	(79,441)	-	170,855	40,823,227
Total business-type activities capital assets net	\$ 42,269,341	\$ (79,441)	\$ -	\$ -	\$ 42,189,900

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 240,059
Public safety	216,972
Public works (including infrastructure)	430,899
Housing and development	5,992
Total depreciation expense - governmental activities	<u>\$ 893,922</u>
Business-type activities	
Water and sewer	\$ 1,145,132
Gas	129,942
Electric	295,943
CNS cable	15,019
Solid waste	-
Airport	171,823
Total depreciation expense - business-type activities	<u>\$ 1,757,859</u>



CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 3 - DEBT AND DEBT SERVICE**

The reporting entity's debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

GOVERNMENTAL ACTIVITIES

Capital lease payable to Lease One Magnolia on October 11, 2021, collateralized by video system (received December 2021) with a cost of \$129,467. The capital lease is payable in five annual installments of \$28,621, including interest at 2.83% per annum through fiscal year ended 2026.

BUSINESS-TYPE ACTIVITIES

Water and Sewer System Notes Payable

The City Water and Sewer System is liable for Georgia State Revolving Loan Fund (SRF) loans administered by Georgia Environmental Facilities Authority (GEFA). These loans were used to modernize the City's Water and Sewer System and to construct and expand water and wastewater facilities to service new industry. The industry has agreed to amortize the portion of the loan used to construct its facilities through the payment of water and sewer user fees. Details of the loans are as follows:

SRF – The SRF loan dated February 22, 2010, for \$8,433,561 bearing interest at 3% is payable in 240 monthly payments of \$46,772 starting June 1, 2012.

SRF – The SRF loan dated March 12, 2012, for \$1,445,900 bearing interest at 2.54% is payable in 240 monthly payments of \$7,690 starting July 2014.

SRF – The SRF loan dated September 18, 2017, for \$1,528,751 bearing interest at .89% was a construction loan until April 30, 2020. In April \$366,900 of the loan was forgiven as stated in the loan contract. The remaining balance of \$1,161,185 was converted to a permanent loan bearing interest at .89% payable in 240 monthly installments of \$5,286 starting January 2021.

SRF – The SRF loan dated February 22, 2021, for \$1,900,000 bearing interest at .82% will be a construction loan until May 1, 2022. Once converted to a permanent loan it will be payable in 239 monthly installments starting the month after the funds are fully disbursed.

SRF – The SRF loan dated February 22, 2021, for \$200,000 bearing interest at 0% will be a construction loan until May 1, 2022. Once converted to a permanent loan it will be payable in 239 monthly installments starting the month after the funds are fully disbursed.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 3 - DEBT AND DEBT SERVICE (CONTINUED)**

SRF – The SRF loan dated February 22, 2021, for \$1,400,000 bearing interest at 0% will be a construction loan until May 1, 2022. Once converted to a permanent loan it will be payable in 239 monthly installments starting the month after the funds are fully disbursed.

USDA Rural Development – The loan dated June 8, 2020, for \$376,200 bearing interest at 2.125% is payable in 120 monthly payments of \$3,484, starting November 26, 2020, collateralized by a Vac-Con vacuum truck.

Due to Covid-19, GEFA suspended all payments from July 2020 through December 2020.

The following is a summary of long-term debt activity for the year ended September 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital lease:					
Video system	\$ -	\$ 135,442	\$ (28,621)	\$ 106,821	\$ 25,598
Total governmental activities	<u>\$ -</u>	<u>\$ 135,442</u>	<u>\$ (28,621)</u>	<u>\$ 106,821</u>	<u>\$ 25,598</u>
Business-type activities:					
SRF permanent loans:					
SRF (2/22/10)	\$ 5,241,732		\$ (409,618)	\$ 4,832,114	\$ 422,077
SRF (3/12/12)	1,037,309		(66,706)	970,603	68,420
SRF (9/18/17)	1,117,455	-	(53,711)	1,063,744	54,191
Total SRF permanent loans	<u>7,396,496</u>	<u>-</u>	<u>(530,035)</u>	<u>6,866,461</u>	<u>544,688</u>
SRF construction loans:					
SRF (2/22/21)	9,600	38,400	(19,200)	28,800	-
SRF (2/22/21)	5,600	4,000	(800)	8,800	-
SRF (2/22/21)	17,550	272,896	(136,448)	153,998	-
Total SRF construction loans	<u>32,750</u>	<u>315,296</u>	<u>(156,448)</u>	<u>191,598</u>	<u>-</u>
USDA loan	<u>344,928</u>	<u>-</u>	<u>(34,816)</u>	<u>310,112</u>	<u>35,563</u>
Total business-type activities	<u>\$ 7,774,174</u>	<u>\$ 315,296</u>	<u>\$ (721,299)</u>	<u>\$ 7,368,171</u>	<u>\$ 580,251</u>

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 3 - DEBT AND DEBT SERVICE (CONTINUED)**

Remaining maturities for the long-term debt are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 580,251	\$ 178,523	\$ 758,774
2024	596,095	162,700	758,795
2025	612,395	146,400	758,795
2026	629,164	129,630	758,794
2027	646,417	109,677	756,094
2028-2032	3,411,132	281,465	3,692,597
2033-2037	503,110	21,710	524,820
2038-2041	198,009	2,877	200,886
Total	<u>\$ 7,176,573</u>	<u>\$ 1,032,982</u>	<u>\$ 8,209,555</u>

Amounts above do not include construction loans since they are not in payment status and the monthly payment amounts are unknown as of the date of this report.

Interest cost for the year ended September 30, 2022 was as follows:

Governmental activities		
Development Authority (component unit)		<u>\$ -</u>
Business-type activities		
Water and sewer		\$ 209,068
Airport		<u>3,939</u>
Total		<u>\$ 213,007</u>

**NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

During normal operations, numerous transactions take place between funds such as expenditures or transfers of resources to provide services, service debt or construct assets. These interfund transactions are not eliminated on fund financial statements. However, these interfund balances are eliminated on the government wide statement of net position.

The purpose of the interfund balance between the general fund and the CNS Cable fund is to provide resources for operating and construction. The purpose of the interfund balance between the general fund and the Development Authority is to provide resources for mortgage liquidation and building renovations. All interfund balances are expected to be repaid within one year except the amounts owed by CNS Cable System to the General Fund.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)**

Balances in the various interfund accounts at September 30, 2022 were as follows:

	Interfund Balances		
	Receivables	Payables	Net
<b>Governmental activities:</b>			
General fund:			
Development Authority	407,399	-	407,399
CNS Cable	2,808,703	-	2,808,703
Development Authority:			
General Fund	-	(407,399)	(407,399)
Total governmental activities	<u>3,216,102</u>	<u>(407,399)</u>	<u>2,808,703</u>
<b>Business-type activities:</b>			
CNS Cable			
General Fund	-	(2,808,703)	(2,808,703)
Total business-type activities	<u>-</u>	<u>(2,808,703)</u>	<u>(2,808,703)</u>
Total	<u>\$ 3,216,102</u>	<u>\$ (3,216,102)</u>	<u>\$ -</u>

Interfund transfers for the year ended September 30, 2022 were as follows:

	Transfers		
	In	Out	Net
<b>Governmental activities:</b>			
General fund:			
ARPA fund	\$ 217,196	\$ -	\$ 217,196
Development Authority fund	-	-	-
SPLOST fund	-	-	-
Water and Sewer fund	443,920	-	443,920
Electric Revenue fund	3,289,154	-	3,289,154
Gas Revenue fund	719,005	-	719,005
Solid Waste fund	49,913	-	49,913
Airport fund	-	(134,879)	(134,879)
CNS Cable fund	469,991	-	469,991
ARPA fund:			
General fund	-	(217,196)	(217,196)
Water and Sewer fund	-	-	-
Electric Revenue fund	-	-	-
Gas Revenue fund	-	-	-
Development Authority fund:			
General fund	-	-	-
SPLOST fund:			
General fund	-	-	-
Total governmental activities	<u>5,189,179</u>	<u>(352,075)</u>	<u>4,837,104</u>

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)**

**Business-type activities:**

Water & Sewer fund:			
General fund	-	(443,920)	(443,920)
ARPA fund	-	-	-
Electric Revenue fund:			
General fund	-	(3,289,154)	(3,289,154)
ARPA fund	-	-	-
Gas Revenue fund:			
General fund	-	(719,005)	(719,005)
ARPA fund	-	-	-
Solid Waste fund:			
General fund	-	(49,913)	(49,913)
Airport fund:			
General fund	134,879	-	134,879
CNS Cable fund:			
General fund	-	(469,991)	(469,991)
Total business-type activities	<u>134,879</u>	<u>(4,971,983)</u>	<u>(4,837,104)</u>
Total	<u>\$ 5,324,058</u>	<u>\$ (5,324,058)</u>	<u>\$ -</u>

**NOTE 5 - EMPLOYEE VACATION AND SICK LEAVE BENEFITS**

During the year ended September 30, 2018 the city council voted to discontinue the policy of allowing employees to accumulate vacation leave benefits. All vacation leave benefits earned were paid to employees on July 13, 2020. Under the new policy, benefits will only be paid when vacations are taken and the amount payable at September 30, 2022 cannot be reasonably estimated.

Accumulated sick leave benefits are not recorded. These benefits are paid only upon employee illnesses and the amount payable at September 30, 2022 cannot be reasonably estimated.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 6 - PENSION PLANS**

**Defined Benefit Plan**

Plan Description

The City's defined benefit pension plan, City of Camilla Retirement Plan (CRP), provides retirement and death benefits to plan members and beneficiaries for employees that have been employed full time for one year. Members may retire on reaching the age of 60 or 65, depending on their classification. Early retirement is possible on reaching age 55, depending on their classification. Benefits are calculated at 1.00% to 1.75% of the average monthly earnings for the period of the five highest years prior to retirement. Employees are fully vested after 5 years of service. CRP is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association (GMA). GMEBS acts as a common investment and administrative agent for participating cities in Georgia. The Georgia Constitution enables the governing authority of the City, the City Council, to establish, and amend from time-to-time, the contribution rates for the City and its plan participants. The Plan issues a stand-alone report. This report may be obtained from: Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303

The GMA, in its role as Plan Sponsor, has the sole authority to amend the provisions of the GMEBS Plan. The City has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan.

Participant counts as of January 1, 2022 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees, beneficiaries and disabled currently receiving benefits	80
Terminated plan participants entitled to but not yet receiving benefits	47
Active employees participating in the Plan	<u>79</u>
 Total number of Plan participants	 <u><u>206</u></u>

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 6 - PENSION PLANS (CONTINUED)**

Contributions

The City's employees' participation is noncontributory. The City is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The policy set by the City for contributing the annual pension expense exceeds the minimum requirements. Employer contribution rates are determined on an annual basis by the actuary and shall be effective on October 1 following notice of a change in the rate.

The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The total recommended contribution as a percentage of the expected covered payroll is 9.47% for the year ended September 30, 2022. Total contributions paid in the plan by the City were \$342,752 for the year ended September 30, 2022.

Net Pension Liability

The City's net pension liability was measured as of January 1, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability in the January 1, 2022 valuation, was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.25%
Salary Increases	2.25% plus service-based merit increases
Investment rate of return	7.375%

Mortality rates were based on the PRI-2012 Combined Mortality Table for Males and Females set forward two years for males and set forward one year for females

The actuarial assumptions used in the 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015-June 30, 2019.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 6 - PENSION PLANS (CONTINUED)**

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting and expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45%	6.55%
International equity	20%	7.30%
Domestic fixed income	20%	0.40%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
Cash	0%	
Total	100%	

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 plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 6 - PENSION PLANS (CONTINUED)**

**Change in the Net Pension Liability**

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2020*	\$ 9,015,628	\$ 7,368,489	\$ 1,647,139
Changes for the year:			
Service costs	148,671	-	148,671
Interest	654,566	-	654,566
Difference between expected and actual experience	314,977	-	314,977
Contributions - employer	-	343,976	(343,976)
Net investment income	-	1,775,429	(1,775,429)
Benefit payments	(577,657)	(577,657)	-
Administrative expense	-	(24,735)	24,735
Net changes	<u>540,557</u>	<u>1,517,013</u>	<u>(976,456)</u>
Balances at September 30, 2021**	<u>\$ 9,556,185</u>	<u>\$ 8,885,502</u>	<u>\$ 670,683</u>

\*Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2021 are used to measure TPL as of September 30, 2020. The balances as of September 30, 2020 constitute measurements of the NPL for the fiscal year ending September 30, 2021.

\*\*Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2022 are used to measure TPL as of September 30, 2021. The balances as of September 30, 2021 constitute measurements of the NPL for the fiscal year ending September 30, 2022.

The following presents the City's net pension liability calculated using the discount rate of 7.375%, as well as what the City's proportionate share of the 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:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Net pension liability	\$ 1,743,690	\$ 670,683	\$ (236,536)

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 6 - PENSION PLANS (CONTINUED)**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2022, the City recognized pension expense of \$234,094. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows Resources
Employer contributions made after measurement date	\$ 327,736	\$ -
Differences between expected and actual experience	388,289	-
Changes in assumptions	29,750	1,469
Net difference between projected and actual earnings on pension plan investments	-	(988,194)
Total	\$ 745,775	\$ (986,725)

City contributions of \$327,736 made after the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended September 30, 2022.

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

Fical Year Ending:	Deferred Outflows of Resources	Deferred Inflows Resources
2023	\$ 292,704	\$ (246,838)
2024	125,335	(214,507)
2025	-	(278,543)
2026	-	(246,837)
	\$ 418,039	\$ (986,725)

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 6 - PENSION PLANS (CONTINUED)**

**Defined Contribution Plan**

Plan Description

The City also has a 401(a) defined contribution plan administered by the Georgia Municipal Association. The Plan is available to all employees of the City who work at least 30 hours per week after 90 days of service. Contributions to the Plan are matched 100% by the City up to 9% of gross payroll for type A employees (city manager), 1% of gross payroll for type B employees (all others). Contributions to the Plan for the year ended September 30, 2022 total \$87,912 for City employees and \$19,651 for the City's match. Vesting is immediate for Type A employees and 100% after five years of service for all others.

The Plan, named the Georgia Municipal Association 401(a) Deferred Contribution Plan was approved by the City Council by resolution on May 14, 2012. Amendments to the Plan can be made only with City Council approval.

**NOTE 7 - RESTRICTED ASSETS**

Restricted assets at September 30, 2022, consist of cash and investments held in various accounts for specific purposes as follows:

	<u>Restriction</u>	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Governmental activities:				
Reserve fund	Repairs	\$ 104,238	\$ -	\$ 104,238
SPLOST fund	Capital projects	329,778	-	329,778
T-SPLOST fund	Capital transportation projects	216,981	-	216,981
ARPA fund	Specified uses per Coronavirus Relief Act of 2021	1,636,982	-	1,636,982
Total		<u>\$ 2,287,979</u>	<u>\$ -</u>	<u>\$ 2,287,979</u>
Business -type activities:				
Water and sewer system:				
Reserve fund	GEFA/SRF loan	\$ -	\$ 573,908	\$ 573,908
Electric system:				
MEAG Municipal				
Competitive Trust	Power generation	-	6,191,978	6,191,978
Total		<u>\$ -</u>	<u>\$ 6,765,886</u>	<u>\$ 6,765,886</u>

It is the City's policy to generally apply restricted resources first to expenses for which both restricted and unrestricted assets are available.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 8 - PROPERTY TAX CALENDAR**

The City levies property taxes in the fall of each year based on the assessed value of property on the previous January 1. Due date for these taxes is December 20<sup>th</sup> and the lien date is the following March 20<sup>th</sup>. The levy date for 2021 taxes was October 1st and the millage rate was 7.245. Taxes are collected throughout the year. Receivables are recorded when levied. Proper allowances are made for estimated uncollectable and delinquent accounts

**NOTE 9 - CONTINGENT LIABILITIES**

The City is party to various legal proceedings. In the opinion of management, the outcomes of these legal proceedings will not result in a material uninsured loss and, accordingly, no provision for loss has been recorded.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 10 - CREDIT RISKS**

Deposits and Investments

Deposits – at September 30, 2022, the City and its component unit had \$2,500 in cash funds on hand and bank deposits as follows:

Carrying value	\$9,269,582
Bank balances	\$9,380,576

Of the bank balances, \$750,000 was covered by Federal Deposit Insurance. The remainder was covered by pledged collateral of at least 110% of deposit amounts, as required by the Official Code of Georgia annotated. In that the pledged collateral is held by the bank’s agent in the City’s name, these deposits constitute a category 2 credit risk under the Government Accounting Standards Board Statement No. 3.

Investments

Electric System – The investments in the electric system at September 30, 2022 include the following:

Current:

MEAG Municipal Competitive Trust - Flexible Operating Account	\$ 5,626,715
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Noncurrent:

MEAG Municipal Competitive Trust - New Generation Trust Account	<u>6,191,978</u>
	<u>\$ 11,818,693</u>

See Note 18 for further discussion of these investments.

CNS Cable System – The investment in the CNS Cable System consists of the joint venture investment in South Georgia Governmental Service Authority:

Investment in South Georgia Governmental Services Authority	<u>\$ 1,749,160</u>
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See Note 16 for further discussion of this investment.

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

Grant Audits

The City receives Federal and State Grants and loans for specific purposes that are subject to review and audit by Federal and State Agencies. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowance, if any, will not be significant.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 12 - ECONOMIC DEPENDENCY**

The City is currently liable for \$7,368,171 in long term debt, the proceeds of which were used to construct gas, water, and sewer facilities to service local industry. This industry, Equity Group Georgia Division, LLC, has agreed to amortize these debts for the City through the payment of monthly facility charges. The City would have difficulty amortizing these debts in the absence of this arrangement with this industry.

**NOTE 13 - HOTEL/MOTEL TAX**

The City collected \$29,478 in Hotel/Motel tax during the year ended September 30, 2022. This tax was paid by the City to the Camilla Chamber of Commerce and used to pay tourism operating expenses by the Chamber.

**NOTE 14 - COMPONENT UNIT**

The Development Authority of the City of Camilla, Georgia, a component unit, was formed by the City to promote economic development and to purchase and hold land and buildings to be sold to new or relocating industry. The Authority is operated as a special revenue fund and its balance sheet and operating statement are shown on the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances on pages 4 and 6, in the Development Authority column.

**NOTE 15 - MORTGAGE RECEIVABLE**

During 2013 The Development Authority of the City of Camilla, Georgia, a component unit, entered into a sales agreement with the Southwest Georgia Regional Commission (SGRC) for the sale of a historic building owned by the Authority. The SGRC will use the building for offices. The sales price for the building was \$435,000 and was financed by the City under a mortgage with interest payable at 2.5% and monthly payments of \$2,100. During the 2017 year the City advanced additional funds used for building improvements, resulting in a new mortgage combined with the old mortgage totaling \$446,877 with interest at 2.5% and monthly payments of \$2,254 beginning 10/01/17.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 15 - MORTGAGE RECEIVABLE (CONTINUED)**

Mortgage activity for the year was as follows:

	Beginning Balance	Additions	Payments	Ending Balance
Mortgage receivable	\$ 362,411	\$ -	\$(18,196)	\$ 344,215

Future payments under the mortgage agreement are as follows:

Year Ending	Principal	Interest	Total
2023	\$ 18,656	\$ 8,393	\$ 27,049
2024	19,128	7,921	27,049
2025	19,612	7,437	27,049
2026	20,108	6,941	27,049
2027	20,616	6,433	27,049
2028-2032	111,170	24,074	135,244
2033-2037	125,956	9,288	135,244
2038	8,969	47	9,016
Total	\$ 344,215	\$ 70,534	\$ 414,749

**NOTE 16 - JOINT VENTURES**

Southwest Georgia Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in the Southwest Georgia area, is a member of the Southwest Georgia Regional Commission (SWGRC) and is required to pay annual dues thereto. During its year ended September 30, 2022, the City paid \$5,802 in such dues. Membership in SWGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the SWGRC in Georgia. The SWGRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of SWGRC. Separate financial statements may be obtained from Southwest Georgia Regional Commission, 181 East Broad Street, Camilla, GA 31730.

South Georgia Governmental Services Authority

The City of Camilla, along with three other cities in the Southwest Georgia area (Thomasville, Moultrie & Cairo) formed the South Georgia Governmental Services Authority (SGGSA). The authority was created by the South Georgia Governmental Services Act (Georgia, House Bill 879) on March 1, 2001. The Authority was created to provide governmental, proprietary, and administrative services to member cities and to provide the joint delivery of services and benefits to the citizens of Georgia.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 16 - JOINT VENTURES (CONTINUED)**

The intent of the Authority is to provide facilities for political subdivisions and governmental bodies on a regional basis to achieve economies of scale, the sharing of assets, and the development of expertise in providing more efficient and economical delivery of such services. No dues were paid to SGGSA during the year ended September 30, 2022. The City is carrying its contribution to this venture as an investment in the CNS Cable System accounts. A separate audited financial statement of SGGSA was prepared as of December 31, 2022, and the City's investment in this joint venture is carried on the equity basis at \$1,749,160 based on this audit.

On May 1, 2017, the City completed the sale of all capital assets related to the broadband cable television and internet services related to CNS to SGGSA. Pursuant to the sale agreement, the City's obligations related to the SGGSA's Series 2004 bonds were terminated. After the sale the City continued to bill and collect cable, internet, telephone and Telecom for SGGSA and remit collections monthly. In that the City no longer has any involvement other than billing, the city council voted in 2017 to merge the CNS Cable and Telecom funds. This was done effective October 1, 2017.

Two members on the SGGSA Board of Directors represent each member city. Separate financial statements for the Authority can be obtained from South Georgia Governmental Services Authority, P.O. Box 1675, Thomasville, GA 31799.

**NOTE 17 - RELATED ORGANIZATIONS**

Camilla Housing Authority

The Camilla Housing Authority is considered a related organization to the City of Camilla. The City appoints members to the Authority Board but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for individuals in the City of Camilla and certain surrounding cities. The City received no payment in lieu of taxes from the Authority during 2022. The amount due is currently under negotiation.

Downtown Camilla Development Authority

The Downtown Camilla Development Authority is considered a related organization to the City of Camilla. The Authority bills and collects its own property tax to pay its operating expenses. The Authority's board consists of the Mayor of Camilla, one member appointed by the County Commission and seven members elected by property owners within the prescribed area. The City does not have the ability to impose its will or create any financial benefit or burden for the Authority. The Authority promotes the economic development and well-being of property and businesses in the downtown Camilla area.



CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 18 - BULK POWER CONTRACT**

In 1976, the City along with 45 other cities and one county, all political subdivisions of the State of Georgia, entered into a Power Sales Contract with the Municipal Electric Authority of Georgia, a public corporation and instrumentality of the State of Georgia. Under the terms of the agreement, MEAG agrees to provide, and the cities are obligated to purchase, all of their bulk power supply requirements for a period not to exceed 50 years. In 2004, the cities unanimously voted to extend the contract with MEAG an additional 50 years. The cities have agreed to purchase all their future power and energy requirements in excess of that received by the cities through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each city has guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations.

At September 30, 2022 the outstanding debt of MEAG was approximately 8.8 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$154.2 million at September 30, 2022.

In 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (the "Trust"), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the Trust's beneficiaries with a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, after deregulation of the electric industry.

The Trust created two funds in which the City participates. The following is a brief description of each fund:

Flexible Operating Trust Account – This account is available to the City for withdrawal without restriction. This account has a balance of \$5,626,715 at September 30, 2022 and is included as a current investment in the Electric fund.

New Generation Trust Account – This account is available to the City for certain restricted purposes including funding future generation projects created by MEAG or for the purchase of additional power sales contracts. This account has a balance of \$6,191,978 at September 30, 2022 and is included as a non-current restricted investment in the Electric fund.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 18 - BULK POWER CONTRACT (CONTINUED)**

MEAG Power and therefore the City of Camilla, Georgia to the extent of its portion of the Trust Account, is exposed to credit and market risk relating to its investments. Credit risk arises when an entity is unable to recover its investments either by an inability to withdraw the funds through nonperformance of a counterparty or an inability to recover collateral. Market risk could affect the investments adversely when either the value of items purchased or the value of underlying collateral declines. As of September 30, 2022, neither MEAG Power nor the City of Camilla, Georgia was exposed to any known economic losses due to these risks, nor were these investments rated.

**NOTE 19 – NET POSITION DEFICIT**

The CNS Cable System fund had a deficit net position balance of \$173,939 at September 30, 2022. As explained in Note 16, the City sold the cable TV business to South Georgia Governmental Service Authority (SGGSA). It is anticipated that distributions from this joint venture will eliminate the deficit over time.

The Solid Waste fund had a deficit net position balance of \$20,355 at September 30, 2022.

CITY OF CAMILLA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE 20 - GOVERNMENTAL FUND BALANCE**

At September 30, 2022, the City of Camilla classified its governmental fund type's fund balances under GASB Statement 54 as follows:

Nonspendable	
Not in spendable form:	
Inventories	\$ 549,789
Long-term notes receivable	344,215
Prepaid expenses	151,731
Required to be maintained intact	<u>2,808,703</u>
Total nonspendable net position	<u>3,854,438</u>
Restricted:	
Building repair reserves	104,238
SPLOST funds	378,040
T-SPLOST funds	476,150
ARPA funds	<u>1,636,982</u>
Total restricted	<u>2,595,410</u>
Committed - Stormwater funds	<u>966,602</u>
Assigned:	
Economic development funds	<u>408,540</u>
Unassigned	<u>(758,912)</u>
Total fund balances	<u><u>\$7,066,078</u></u>

CITY OF CAMILLA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2022

**NOTE 21 - SUBSEQUENT EVENTS**

As of the date of these financial statements, the City had various construction projects that were scheduled to be completed. The projects included the following:

Project	Estimated Cost	Costs Remaining to Completion	Source of Financing
Water treatment plant and lift station upgrade	1,900,000	1,842,400	GEFA/SRF loan
Replace and repair 2 wells and water main	1,400,000	1,092,004	GEFA/SRF loan

Subsequent to the date of these financial statements, the City approved the construction of a new Camilla Resource Center that will house the Boys and Girls Club. The cost of this project is \$2,688,481; payment for this project will come from cash reserves in the electric fund of \$1.5 million, \$800,000 from the telecom fund, with the remainder from general fund economic development funds.

Subsequent to the date of these financial statements, the City entered into a contract for spray field and pond repairs. The current planned cost of the project is \$2,042,000. A loan from the Georgia Environmental Finance Authority was also secured in the amount of \$1,578,000 to help finance this project.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF CAMILLA  
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts <u>Original</u>	Budgeted Amounts <u>Final</u>	Actual Amounts (Budgetary Basis)	Variance with Final Budget
<b>Revenues</b>				
Property taxes	\$ 1,382,300	\$ 1,382,300	\$ 1,236,878	\$ (145,422)
Other taxes	736,100	736,100	727,067	(9,033)
Licenses and permits	68,700	68,700	69,149	449
Fines and forfeitures	178,500	178,500	271,752	93,252
Charges for services	475,400	475,400	304,653	(170,747)
Intergovernmental	207,000	207,000	106,511	(100,489)
Rental income	144,400	144,400	138,348	(6,052)
Interest income	1,000	2,000	4,367	2,367
Other revenues	<u>18,000</u>	<u>18,000</u>	<u>39,695</u>	<u>21,695</u>
Total revenues	<u>3,211,400</u>	<u>3,212,400</u>	<u>2,898,420</u>	<u>(313,980)</u>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
City council	108,400	129,070	129,070	-
City manager	358,500	271,176	271,176	-
City clerk	116,400	134,648	134,648	-
Finance	269,200	315,176	315,176	-
Legal	26,500	49,979	49,979	-
Human resources	123,200	120,124	120,124	-
Facilities/buildings	266,800	374,917	374,917	-
Customer service/billing	<u>812,300</u>	<u>776,721</u>	<u>776,721</u>	<u>-</u>
Total general government	<u>2,081,300</u>	<u>2,171,811</u>	<u>2,171,811</u>	<u>-</u>
<b>Judicial</b>				
Municipal court	<u>98,800</u>	<u>106,879</u>	<u>106,879</u>	<u>-</u>
Total judicial	<u>98,800</u>	<u>106,879</u>	<u>106,879</u>	<u>-</u>
<b>Public safety</b>				
Police	1,887,900	2,020,028	2,020,028	-
Fire	<u>1,017,800</u>	<u>1,139,098</u>	<u>1,139,098</u>	<u>-</u>
Total public safety	<u>2,905,700</u>	<u>3,159,126</u>	<u>3,159,126</u>	<u>-</u>
<b>Public works</b>				
Public works	1,838,100	1,482,630	1,363,675	(118,955)
Maintenance shop	<u>150,000</u>	<u>132,161</u>	<u>132,161</u>	<u>-</u>
Total public works	<u>1,988,100</u>	<u>1,614,791</u>	<u>1,495,836</u>	<u>(118,955)</u>

See accompanying note to budgetary comparison schedule.

CITY OF CAMILLA  
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Housing and development</b>				
Planning - zoning and inspection	292,000	317,246	317,246	-
Economic development	164,100	322,738	322,738	-
Downtown Camilla	128,200	146,866	146,866	-
Total housing and development	<u>584,300</u>	<u>786,850</u>	<u>786,850</u>	-
Total expenditures	<u>7,658,200</u>	<u>7,839,457</u>	<u>7,720,502</u>	<u>(118,955)</u>
Excess (deficiency) of revenue over expenditures	(4,446,800)	(4,627,057)	(4,822,082)	(195,025)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	10,000	10,000	6,104	(3,896)
Transfers, net	4,124,800	4,124,800	4,863,885	739,085
Total other financing sources (uses)	<u>4,134,800</u>	<u>4,134,800</u>	<u>4,869,989</u>	<u>735,189</u>
Net change in fund balances	(312,000)	(492,257)	47,907	540,164
Fund balances, beginning of year,	<u>3,986,084</u>	<u>3,986,084</u>	<u>3,986,084</u>	-
Budgetary fund balances, end of year	<u>\$ 3,674,084</u>	<u>\$ 3,493,827</u>	<u>\$ 4,033,991</u>	<u>\$ 540,164</u>

See accompanying note to budgetary comparison schedule.

CITY OF CAMILLA  
 BUDGETARY COMPARISON SCHEDULE – HOTEL/MOTEL TAX FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 30,000	\$ 33,000	\$ 29,478	\$ (3,522)
Total revenues	<u>30,000</u>	<u>33,000</u>	<u>29,478</u>	<u>(3,522)</u>
<b>Expenditures</b>				
Current:				
Economic development	<u>30,000</u>	<u>33,000</u>	<u>29,478</u>	<u>(3,522)</u>
Total expenditures	<u>30,000</u>	<u>33,000</u>	<u>29,478</u>	<u>(3,522)</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



CITY OF CAMILLA  
 BUDGETARY COMPARISON SCHEDULE – DEVELOPMENT AUTHORITY  
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
<b>Revenues</b>				
Rental income	\$ 1,950	\$ 1,950	\$ 1,950	\$ -
Other income	13,010	13,010	13,009	(1)
Investment income	8,853	8,853	8,853	-
Total revenues	<u>23,813</u>	<u>23,813</u>	<u>23,812</u>	<u>(1)</u>
<b>Expenditures</b>				
Current:				
General government	2,689	2,689	2,689	-
Debt service:				
Interest	-	-	-	-
Total expenditures	<u>2,689</u>	<u>2,689</u>	<u>2,689</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	21,124	21,124	21,123	(1)
Transfer in	-	-	-	-
Fund balance, beginning of year	<u>519,792</u>	<u>519,792</u>	<u>519,792</u>	<u>-</u>
Fund balance, end of year	<u>\$ 540,916</u>	<u>\$ 540,916</u>	<u>\$ 540,915</u>	<u>\$ (1)</u>

CITY OF CAMILLA  
 BUDGETARY COMPARISON SCHEDULE – ARPA  
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
<b>Revenues</b>				
Intergovernmental			\$ 935,832	\$ 935,832
Interest income			1,294	1,294
Total revenues	-	-	937,126	937,126
<b>Expenditures</b>				
Current:				
Community development				-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	937,126	937,126
<b>Other financing sources (uses)</b>				
Transfers - Vaccine incentives	(44,000)	(27,825)	(27,825)	-
Transfers - Projects funded by ARPA	(60,000)	(102,579)	(102,579)	-
Transfers - Premium pay	-	(76,442)	(76,442)	-
Transfers - Utility payment subsidies	-	(10,350)	(10,350)	-
Total other financing sources (uses)	(104,000)	(217,196)	(217,196)	-
Net change in fund balance	(104,000)	(217,196)	719,930	937,126
Fund balance, beginning of year	917,052	917,052	917,052	-
Fund balance, end of year	\$ 813,052	\$ 699,856	\$ 1,636,982	\$ 937,126

CITY CAMILLA  
SCHEDULE OF NET PENSION LIABILITY AND RELATED RATIOS – CAMILLA RETIREMENT PLAN  
LAST TEN YEARS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Year Ended September 30	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	\$ 9,556,185	\$ 9,015,628	\$ 8,750,067	\$ 7,876,693	\$ 7,676,584	\$ 7,263,084	\$ 6,921,244	\$ 6,395,559
Fiduciary net position	<u>8,885,502</u>	<u>7,368,490</u>	<u>7,111,412</u>	<u>7,152,598</u>	<u>6,670,284</u>	<u>5,909,730</u>	<u>5,468,813</u>	<u>5,451,861</u>
Net pension liability	<u>\$ 670,683</u>	<u>\$ 1,647,138</u>	<u>\$ 1,638,655</u>	<u>\$ 724,095</u>	<u>\$ 1,006,300</u>	<u>\$ 1,353,354</u>	<u>\$ 1,452,431</u>	<u>\$ 943,698</u>
Covered-employee payroll	\$ 3,440,108	\$ 3,558,017	\$ 3,466,864	\$ 3,007,057	\$ 3,180,582	\$ 3,080,834	\$ 2,923,336	\$ 2,754,497
Net pension liability as a % of covered employee payroll	19.50%	46.29%	47.27%	24.08%	31.64%	43.93%	49.68%	34.26%
Plan fiduciary net position as a % of total pension liability	92.98%	81.73%	81.27%	90.81%	86.89%	81.37%	79.01%	85.24%

*Note: This schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.*

CITY CAMILLA  
SCHEDULE OF RETIREMENT PLAN CONTRIBUTIONS  
LAST TEN YEARS  
SEPTEMBER 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	*	\$ 324,468	\$ 234,094	\$ 250,084	\$ 242,636	\$ 229,089	\$ 207,959	\$ 260,702
Contribution in relation to the actuarially determined contribution **	*	\$ 343,976	\$ 214,622	\$ 270,304	\$ 222,416	\$ 246,419	\$ 191,704	\$ 281,663
Contribution deficiency (excess)	*	\$ (19,508)	\$ 19,472	\$ (20,220)	\$ 20,220	\$ (17,330)	\$ 16,255	\$ (20,961)
Covered-employee payroll ***	*	\$3,558,017	\$3,466,864	\$3,007,057	\$3,180,582	\$3,080,834	\$2,923,336	\$2,754,497
Contribution as a % of covered employee payroll	*	9.67%	6.19%	8.99%	6.99%	8.00%	6.56%	10.23%

Notes to the Schedule

\* 2022 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 with 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.

\*\*\*Covered payroll is based on data collected as of September 30th of the previous year.

*Note: This schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.*

CITY CAMILLA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

**NOTE 1 - RETIREMENT PLAN**

Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of contributions are calculated as of January 1, 2022. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended September 30, 2022.

Valuation date	January 1, 2022
Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	13 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 the market value at end of the year. The actuarial value is adjusted, if necessary, to be within 20% of the market value.
Investment rate of return	7.375%
Salary increases	2.25% plus service-based merit increases
Cost of living adjustments	N/A

CITY CAMILLA  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

**NOTE 2 – BUDGET-TO-ACTUAL RECONCILIATION**

	General Fund
Sources/inflows of resources:	
Actual amounts (budgetary basis) "total revenues" from the budgetary comparison schedule	\$ 2,898,420
Differences - budget to GAAP:	
Capital lease proceeds used to fund capital outlay	135,441
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 3,033,861
Uses/outflows of resources:	
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 7,720,502
Differences - budget to GAAP:	
Capital outlay funded by capital lease proceeds	135,441
Expenditures funded by ARPA proceeds	190,415
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 8,046,358

**STATE COMPLIANCE SECTION**

CITY OF CAMILLA  
ONE PERCENT SPECIAL PURPOSE SALES TAX  
PROJECT COST SCHEDULES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Project	Original Estimated Cost	Expenditures			Estimated Percent Completed
		Prior Years	Current Period	Total	
<b>SPLOST - 2018 Issue</b>					
Police vehicles and equipment	\$ 480,000	\$ 219,175	\$ 115,128	\$ 334,303	69.65%
Fire vehicles and equipment	200,000	29,206	-	29,206	14.60%
Public works vehicles and equipment	300,000	266,698	21,584	288,282	96.09%
Recreation complex construction	1,000,000	844,811	313,365	1,158,176	115.82%
General roads, streets and bridges	1,226,692	302,566	-	302,566	24.67%
Totals	<u>\$ 3,206,692</u>	<u>\$ 1,662,456</u>	<u>\$ 450,077</u>	<u>\$ 2,112,533</u>	65.88%
<b>TSPLOST - 2020 Issue</b>					
Paving, drainage, sidewalk construction/repair	\$ 3,494,503	\$ -	\$ 321,834	\$ 321,834	9.21%
Totals	<u>\$ 3,494,503</u>	<u>\$ -</u>	<u>\$ 321,834</u>	<u>\$ 321,834</u>	9.21%



CITY OF CAMILLA  
 SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

<u>Agency</u>	<u>Contract Number</u>	<u>Total Funds Available (Note 1)</u>	<u>Revenue Earned</u>	<u>Expenditures Incurred</u>	<u>State Agency</u>	
					<u>Due From</u>	<u>Due To</u>
Department of Community Affairs: Community Development Block Grant	19p-x-101-2-6116	\$ 750,000	\$ 750,000	\$ 804,996	\$ -	\$ -
Department of Transportation: Airport contract	T007528	<u>333,333</u>	<u>212,169</u>	<u>212,169</u>	<u>113,764</u>	<u>-</u>
Total state awards		<u>\$ 1,083,333</u>	<u>\$ 962,169</u>	<u>\$ 1,017,165</u>	<u>\$ 113,764</u>	<u>\$ -</u>

*Note 1: Includes federal funds that passed through state agencies.*

## **FEDERAL COMPLIANCE**

CITY OF CAMILLA  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
PROJECT COST SCHEDULE  
GRANT AWARD #19P-X-101-2-6116  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Program Activity	CDBG Activity Number	Latest Approved Budget	Approved CDBG Expenditures To Date	Accumulated Expenditures to Date (Other Funds)	Grand Total of Expenditures to Date	Questioned Costs (if Applicable)
Sewer and Sidewalk Improvements	T-03J-00	\$ 50,000	\$ 50,000		\$ 50,000	None
	P-03J-02	574,250	575,747		575,747	None
	A-21A-00	45,000	45,000		45,000	None
	P-03K-01	80,750	79,253		79,253	None
		<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>\$ 54,996</u>	<u>\$ 804,996</u>	None

CITY OF CAMILLA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA #	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
Department of Housing and Urban Development				
Pass-Through Programs From:				
State of Georgia				
Community Development Block Grants	14.218	19p-x-101-2-6116	\$ -	804,996
<b>Total Department of Housing and Urban Development</b>			<u>-</u>	<u>804,996</u>
<b>Other Programs</b>				
Department of Transportation:				
Pass-Through Programs From:				
Georgia Department of Transportation				
Airport Improvement Program	20.106	T007528	-	177,427
<b>Total Department of Transportation</b>			<u>-</u>	<u>177,427</u>
United States Environmental Protection Agency				
Pass-Through Programs From State of Georgia				
Clean Water State Revolving Loan Cluster:				
Capitalization Grants for Drinking Water State Revolving Fund	66.458	GEFA Loan - CWDRA20007		4,000
Capitalization Grants for Drinking Water State Revolving Fund	66.458	GEFA Loan - CW2020003	-	38,400
<b>Total Clean Water State Revolving Loan Cluster</b>				42,400
Drinking Water State Revolving Loan Cluster:				
Capitalization Grants for Drinking Water State Revolving Fund	66.468	GEFA Loan - DWDR20010	-	272,896
<b>Total US Environmental Protection Agency</b>			<u>-</u>	<u>315,296</u>
Department of the Treasury				
CARES Act Coronavirus Relief Fund	21.019	14583-CRF	-	217,196
<b>Total Department of the Treasury</b>			<u>-</u>	<u>217,196</u>
<b>Total Other Programs</b>			<u>-</u>	<u>709,919</u>
<b>TOTAL - ALL PROGRAMS</b>			<u>\$ -</u>	<u>\$ 1,514,915</u>

CITY OF CAMILLA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (“the Schedule”) includes the federal award activity of the City under programs of the federal government for the year ended September 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to the reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – LOANS AND LOAN GUARANTEE PROGRAMS

At September 30, 2022, the City had \$7,368,172 outstanding in loan guarantee programs relating to Capitalization Grants for Drinking Water State Revolving Funds and Capitalization Grants for Clean Water State Revolving Funds through the United States Environmental Protection Agency passed through the Georgia Environmental Finance Authority. These funds are payable to the Georgia Environmental Finance Authority.

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

To the Honorable Mayor and City Council  
City of Camilla, 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, and each major fund of the City of Camilla, Georgia (“the City”), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated September 29, 2023.

**Report on Internal Control Over Financial Reporting**

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* as described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001.

## **The City's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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.

*Valenti, Rackley & Assoc., LLC*

Valenti, Rackley & Associates, LLC  
Valdosta, Georgia

September 29, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and City Council  
City of Camilla, Georgia

**Report on Compliance for Each Major Federal Program**

*Opinion on Each Major Federal Program*

We have audited the City of Camilla, Georgia's ("the City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

*Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

*Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.



### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirement referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirement of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Valenti, Rackley & Assoc., LLC*

Valenti, Rackley & Associates, LLC  
Valdosta, Georgia

September 29, 2023

CITY OF CAMILLA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

**SECTION 1 - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting

Material weakness(es) identified?                           yes      x   no

Significant deficiencies identified that are not  
considered to be material weakness(es)?                           yes      X   none reported

Noncompliance material to financial statements noted?   X   yes           no

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?                           yes      X   no

Significant deficiencies identified that are not  
considered to be material weakness(es)?                           yes      X   none reported

Type of auditor's report issued on compliance for major federal programs: unmodified

Any audit findings disclosed that are required to be  
reported in accordance with 2 CFR 200.516(a)?                           yes      X   no

CITY OF CAMILLA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

**Identification of major program**

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Department of Housing and Urban Development

Dollar threshold used to distinguish between typ A and B programs: \$750,000

Auditee qualified as a low-risk auditee?            yes   X   no

CITY OF CAMILLA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**2022-001**

Criteria: Transportation Special Purpose Local Option Sales Tax (TSPLOST) funds are legally restricted to use for eligible transportation-related expenditures.

Condition: Funds in excess of eligible expenditures in the amount of \$211,544 were transferred out of the TSPLOST fund during the year ended September 30, 2022.

Cause: A transfer of funds relating to eligible TSPLOST costs paid by another fund was inadvertently made twice.

Effect: Noncompliance with prohibition against utilizing TSPLOST funds for other than eligible TSPLOST expenditures.

Recommendation: The excess funds transferred must be returned to the TSPLOST fund.

Management Response: Management agrees with the finding. The error has been rectified by transferring the funds in question back to the TSPLOST fund.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.

CITY OF CAMILLA  
STATUS OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

None Reported