

CITY OF CAMILLA, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2021

CITY OF CAMILLA
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HARRELL D. RACKLEY
CERTIFIED PUBLIC ACCOUNTANT

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, 2021, 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, and the aggregate remaining fund information of the City as of September 30, 2021, 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 the 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 on pages vi – xx and budgetary comparison information and pension related schedules on pages 46 - 52 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. 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, 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 and the Community Block Grant Program Project Cost Schedule 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 10, 2022, 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.



WATERS & RACKLEY CPAS, LLC
Camilla, Georgia

September 10, 2022

City of Camilla

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Camilla, it is our pleasure to present this narrative discussion and analysis of the City of Camilla's financial performance, providing an overview of the activities for the fiscal year ended September 30, 2021. This information is designed to be used in conjunction with the City's basic financial statements, and the accompanying notes to those financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City of Camilla's assets totaled \$84.5 million, of which \$57.3 million are capital assets.
- The City of Camilla has total liabilities of \$13.37 million, of which \$9.77 million are long-term liabilities.
- The total net position for the City of Camilla exceeded its liabilities at September 30, 2021, by \$71.2 million (reported as net position). Of this amount \$13.4 million (reported as unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. \$49.5 million is invested in capital assets net of related debt.
- The total net position for the City's Governmental activities exceed its liabilities by \$20.2 million of which \$3.7 million is unrestricted and can be spent at the discretion of the City Council.
- The governmental activities revenues and transfers exceeded expenditures by \$981 thousand resulting in an increase of net position from \$19.2 million to \$20.18 million.
- The City's business type activities expenditures exceeded revenues by \$113 thousand dollars resulting in a decrease in net position from \$51.1 million to \$51.0 million.
- The City's long-term debt decreased by \$.42 million during the current fiscal year as a result of scheduled principal payments, prepayment of certain debt and the addition of new long-term debt in the water/sewer fund.

OVERVIEW of the FINANCIAL STATEMENTS

The City's annual financial report for the fiscal year ended September 30, 2021 is based upon the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussions & Analysis-for State and Local Governments issued June 1999. This standard includes Government-wide statements along with Fund based financial statements. The primary role of the Statement of Net Position and the Statement of Activities in the new government-wide financial statements is to demonstrate fiscal accountability. Operational accountability requires that a government demonstrate the extent to which it has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to do so. Whereas, fiscal accountability requires that a government demonstrate compliance with public decisions concerning the raising and spending of public monies in the short term (usually one budgetary cycle or one year). Comparative information in the new reporting model is now available and is provided in the discussion and analysis.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

This discussion and analysis is intended to serve as an introduction to the City of Camilla's basic financial statements. The City's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements (Reporting the City as a Whole)

The focus of the government-wide financial statements is on the overall financial position and activities of the City of Camilla and is designed to provide readers with a broad overview of the City's financial activities in a manner similar to a private business enterprise.

The City's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements include all assets and liabilities using the accrual basis of accounting used by most private-sector businesses. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

The purpose of the **Statement of Net Position** is to report all assets held and liabilities owed by the City. The City reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between its total assets and total liabilities is net position. The net position is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indication of whether its financial position is improving or deteriorating. You would need to consider other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

The **Statement of Activities** presents the revenue and expenses of the City. Under the accrual basis of accounting, revenues are recognized when earned and expenses when incurred in this statement. Thus revenues are reported even when they may not be collected until after the end of the accounting period and expenses are recorded even though they may not have been paid during the current period. The difference is described as change in net position. The focus of the Statement of Activities is on the net cost of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through fees, grants, or other sources.

In the Statement of Net Position and the Statement of Activities, the City is divided into three kinds of activities:

Governmental Activities – Most of the City's basic services are reported here, including police, fire, public works, community and economic development, planning and zoning, and general administration. Property taxes, sales tax, franchise fees, intergovernmental revenues, and fund transfers finance most of these activities.

Business – Type Activities – The City charges fees to customers to help it cover all or most of the costs of certain services it provides. The City's Water and Sewer, Gas, Electric, Cable, Solid Waste and Airport facilities are reported here.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Component Unit – The City includes the Development Authority of the City of Camilla, Georgia in its report. Although legally separate, the City is financially accountable for it.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City of Camilla has presented its financial statements under the reporting model required by GASB Statement No. 34. This reporting model changes significantly both the recording and presentation of financial data. Government-wide information for fiscal years ending September 30, 2021, and September 30, 2020 are included in this report.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CITY OF CAMILLA Net Position September 30, 2021

	Governmental Activities	Business-Type Activities	Total
Current assets	\$ 6,743,074	\$ 12,300,779	\$ 19,043,853
Non-current assets	344,215	7,144,597	7,488,812
Capital assets	15,019,496	42,269,342	57,288,838
Total Assets	<u>22,106,785</u>	<u>61,714,718</u>	<u>83,821,503</u>
Deferred outflows of resources	493,359	226,877	720,236
Total Assets and Deferred Outflows of Resources	<u>22,600,144</u>	<u>61,941,595</u>	<u>84,541,739</u>
Current liabilities	1,186,670	2,401,946	3,588,616
Non-current liabilities	1,146,211	8,522,065	9,668,276
Total liabilities	<u>2,332,881</u>	<u>10,924,011</u>	<u>13,256,892</u>
Deferred inflows of resources	90,547	19,021	109,568
Total Liabilities and Deferred Inflows of Resources	<u>2,423,428</u>	<u>10,943,032</u>	<u>13,366,460</u>
Net Investment in capital assets	15,019,496	34,495,168	49,514,664
Restricted for loan payments		573,510	573,510
Restricted for power generation	104,166	6,206,163	6,310,329
Restricted for repairs	477,691		477,691
Restricted for capital projects	917,052		917,052
Unrestricted	3,658,311	9,723,722	13,382,033
Total net position	<u>\$ 20,176,716</u>	<u>\$ 50,998,563</u>	<u>\$ 71,175,279</u>

CITY OF CAMILLA Net Position September 30, 2020

	Governmental Activities	Business-Type Activities	Total
Current assets	\$ 6,269,757	\$ 11,830,632	\$ 18,100,389
Non-current assets	362,412	7,165,203	7,527,615
Capital assets	14,082,504	43,190,129	57,272,633
Total assets	<u>20,714,673</u>	<u>62,185,964</u>	<u>82,900,637</u>
Deferred outflows of resources	527,775	241,893	769,668
Total Assets and Deferred Outflows of Resources	<u>21,242,448</u>	<u>62,427,857</u>	<u>83,670,305</u>
Current liabilities	812,354	2,317,027	3,129,381
Non-current liabilities	1,140,305	8,978,444	10,118,749
Total liabilities	<u>1,952,659</u>	<u>11,295,471</u>	<u>13,248,130</u>
Deferred inflows of resources	93,914	20,490	114,404
Total Liabilities and Deferred Inflows of Resources	<u>2,046,573</u>	<u>11,315,961</u>	<u>13,362,534</u>
Net Investment in capital assets	14,082,504	34,957,972	49,040,476
Restricted for loan payments		572,937	572,937
Restricted for power generation		6,205,983	6,205,983
Restricted for repairs	81,480		81,480
Restricted for Capital Projects	991,755		991,755
Unrestricted	4,040,136	9,375,004	13,415,140
Total net position	<u>\$ 19,195,875</u>	<u>\$ 51,111,896</u>	<u>\$ 70,307,771</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position exceed liabilities by \$71,175,279 as of September 30, 2021 and by \$70,307,771 as of September 30, 2020. Of these amounts, \$20,176,716 and \$19,195,875 came from governmental activities and \$50,998,563 and \$51,111,896 came from business-type activities as of September 30, 2021 and 2020, respectively.

The largest portion of the City's net position, \$49,514,664 or 69.56% as of September 30, 2021 and \$49,040,476 or 70.69%, as of September 30, 2020, reflects its investments in capital assets (land, building, machinery and equipment, infrastructure and construction in progress), less any related debt outstanding that was needed to construct or acquire the assets. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position totaled \$8,278,582 or 11.63% as of September 30, 2021 and \$7,852,155 or 11.17% as of September 30, 2020. These amounts represent resources that are designated for construction projects, repairs, loan payments and power generation.

The remaining balance of \$13,382,033 or 18.80% as of September 30, 2021 and \$13,415,140 or 19.08% as of September 30, 2020 represents unrestricted net position. This may be used to meet the City's obligations to citizens and creditors in accordance with the finance-related legal requirements.

At the end of fiscal year ended September 30, 2021, and September 30, 2020, the City reported positive balances in both categories of unrestricted net position; \$3,658,311 and \$4,040,136 for its governmental activities and \$9,723,722 and \$9,375,004 in its business-type activities for these years, respectively.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

The Fund Financial Statements provide detailed information about the most significant funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The City of Camilla, like other state and local governments, uses fund accounting to track specific resources and expenditures, either for management purposes or because of legal mandates. The City's funds are divided into two categories, governmental and proprietary, and use different accounting approaches.

Governmental Funds – Most of the City's basic services are reported in governmental funds, and are used to account for essentially the same functions as governmental activities in the government wide financial statements. However, governmental fund financial statements focus on the short-term view of the City's general governmental operations and the basic services it provides. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. It is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so readers may better understand the long-term impact of the government's near term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures and changes in fund balances reconciling the two statements is provided with each statement.

The City of Camilla has three major governmental funds, the General Fund, the Hotel/Motel Fund, the SPLOST Fund and a component unit the Development Authority.

The City of Camilla adopts an annual budget for its governmental funds. Budgetary comparison statements have been provided for these funds.

Proprietary Funds – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. The City maintains one type of proprietary fund, enterprise funds. These proprietary funds are prepared using the same accounting basis as the government-wide financial statements, the accrual method.

The City of Camilla's enterprise funds are the same as its business-type activities but provide more detail and additional information such as cash flows. The City of Camilla has the following enterprise funds: Water and Sewer Fund, Electric Fund, Gas Fund, Solid Waste Fund, Airport Fund, and Cable TV Fund.

STATEMENT OF ACTIVITIES

Governmental activities during the fiscal year ended September 30, 2021 increased the City of Camilla's net position by \$980,841. Business-type activities during the same period decreased net position by \$113,333. Total increase from all activities in net position was \$867,508.

The following Statement of Activities shows the revenues and expenses by activities for the City of Camilla as of September 30, 2021 and September 30, 2020. Total revenues and Transfers from governmental activities were \$8,682,731 and \$7,408,294 for September 30, 2021 and 2020, respectively while expenses totaled \$7,701,890 and \$7,164,664. Net transfers from business-type activities amounted to \$3,803,428 or 43.8% for September 30, 2021 and \$3,573,249 or 48.23% for September 30, 2020, of the total governmental activity funding. Property taxes of \$1,351,762 or % for September 30, 2021 and \$1,366,511 or 18.45% for September 30, 2020, was the next largest contributor to the funding. Business-type activities program revenue exceeded expenses by \$3,690,095 and \$5,108,640 for September 30, 2021 and 2020 respectively, before other revenues and transfers to support the governmental activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CITY OF CAMILLA
Statements of Activities
For the year ended September 30, 2021

	Governmental Activities	Business- Type Activities	Total
Revenues:			
<u>PROGRAM REVENUES</u>			
Charges for services	\$ 973,755	\$ 22,230,763	\$ 23,204,518
Operating grants & contributions	132,349		132,349
Capital grants & contributions	866,759	282,267	1,149,026
Total program revenue	<u>1,972,863</u>	<u>22,513,030</u>	<u>24,485,893</u>
<u>GENERAL REVENUES</u>			
Property taxes	1,351,762		1,351,762
Other taxes	596,118		596,118
ARPA Revenue	935,832		935,832
Investment income(loss)	22,121	773,322	795,443
Gain (loss) on sale of assets	607	5,209	5,816
Total general revenues	<u>2,906,440</u>	<u>778,531</u>	<u>3,684,971</u>
TOTAL REVENUES	<u>4,879,303</u>	<u>23,291,561</u>	<u>28,170,864</u>
Expenses:			
<u>GOVERNMENTAL ACTIVITIES</u>			
General government	2,246,549		2,246,549
Judicial	100,511		100,511
Public safety	3,071,876		3,071,876
Public works	1,700,770		1,700,770
Housing & Development	571,588		571,588
Interest on long-term debt	10,596		10,596
Total governmental activities	<u>7,701,890</u>		<u>7,701,890</u>
<u>BUSINESS-TYPE ACTIVITIES</u>			
Water and sewer		2,844,843	2,844,843
Gas		2,683,798	2,683,798
Electric		12,752,265	12,752,265
CNS cable		59,839	59,839
Solid waste		739,756	739,756
Airport		520,965	520,965
Total business-type activities		<u>19,601,466</u>	<u>19,601,466</u>
Total Expenses	<u>7,701,890</u>	<u>19,601,466</u>	<u>27,303,356</u>
Change in net positons before transfers	(2,822,587)	3,690,095	867,508
Transfers	3,803,428	(3,803,428)	
Change in net position	980,841	(113,333)	867,508
Net position beginning of year	19,195,875	51,111,896	70,307,771
Net position end of year	<u>\$ 20,176,716</u>	<u>\$ 50,998,563</u>	<u>\$ 71,175,279</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CITY OF CAMILLA Statements of Activities For the year ended September 30, 2020

	Governmental Activities	Business- Type Activities	Total
Revenues:			
<u>PROGRAM REVENUES</u>			
Charges for services	\$ 822,788	\$ 26,655,301	\$ 27,478,089
Operating grants & contributions	469,912	283,538	753,450
Capital grants & contributions	591,047	653,620	1,244,667
Total program revenue	<u>1,883,747</u>	<u>27,592,459</u>	<u>29,476,206</u>
<u>GENERAL REVENUES</u>			
Property taxes	1,366,511		1,366,511
Other taxes	548,238		548,238
Investment income(loss)	30,805	819,855	850,660
Gain (loss) on sale of assets	5,744	34,334	40,078
Total general revenues	<u>1,951,298</u>	<u>854,189</u>	<u>2,805,487</u>
TOTAL REVENUES	<u>3,835,045</u>	<u>28,446,648</u>	<u>32,281,693</u>
Expenses:			
<u>GOVERNMENTAL ACTIVITIES</u>			
General government	2,326,671		2,326,671
Public safety	2,741,145		2,741,145
Public works	1,601,927		1,601,927
Housing & development	483,923		483,923
Interest on long-term debt	10,998		10,998
Total governmental activities	<u>7,164,664</u>		<u>7,164,664</u>
<u>BUSINESS-TYPE ACTIVITIES</u>			
Water and sewer		2,679,415	2,679,415
Gas		7,228,692	7,228,692
Electric		12,071,193	12,071,193
CNS cable		102,390	102,390
Solid waste		749,779	749,779
Airport		506,539	506,539
Total business-type activities		<u>23,338,008</u>	<u>23,338,008</u>
Total Expenses	<u>7,164,664</u>	<u>23,338,008</u>	<u>30,502,672</u>
Change in net positons before transfers	(3,329,619)	5,108,640	1,779,021
Transfers	<u>3,573,249</u>	<u>(3,573,249)</u>	
Change in net position	243,630	1,535,391	1,779,021
Net position beginning of year	18,952,245	49,576,505	68,528,750
Net position end of year	<u>\$ 19,195,875</u>	<u>\$ 51,111,896</u>	<u>\$ 70,307,771</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Governmental Activities

Revenue from governmental activities totaled \$8,682,731 for the year ending September 30, 2021 and \$7,408,294 for the year ending September 30, 2020 with corresponding expenses for the same periods totaled \$7,701,890 and \$7,164,664. The following totals show the governmental revenue and expenses by source. Transfers from business-type activities funded the largest percentage of revenue, followed by property taxes and charges for services. General government, Public safety, and Public Works expenses accounted for 92.44% and 93.09% of the total expenses of the governmental activities, for the years ending September 30, 2021 and September 30, 2020.

Governmental Activities – Revenues by Source

	Sept. 30, 2021		Sept. 30, 2020	
	Amount	Percent	Amount	Percent
Charges for services	\$ 973,755	11.21%	\$ 822,788	11.11%
Operating grants & contributions	132,349	1.52%	469,912	6.34%
Capital grants & contributions	866,759	9.98%	591,047	7.98%
Property taxes	1,351,762	15.57%	1,366,511	18.45%
Other taxes	596,118	6.87%	548,238	7.40%
ARPA revenue	935,832	10.78%	-	0.00%
Investment income (loss)	22,121	0.25%	30,805	0.36%
Gain (loss) on sale of assets	607	0.01%	5,744	0.08%
Total	4,879,303	56.20%	3,835,045	51.77%
Transfers	3,803,428	43.80%	3,573,249	48.23%
	<u>\$ 8,682,731</u>	<u>100.00%</u>	<u>\$ 7,408,294</u>	<u>100.00%</u>

Governmental Activities – Expenses by Source

	Sept. 30, 2021		Sept. 30, 2020	
	Amount	Percent	Amount	Percent
General Government	\$ 2,246,549	29.17%	2,326,671	32.47%
Judicial	100,511	1.31%	-	0.00%
Public Safety	3,071,876	39.88%	2,741,145	38.26%
Public Works	1,700,770	22.08%	1,601,927	22.36%
Planning, zoning and housing	571,588	7.42%	483,923	6.75%
Interest on long-term debt	10,596	0.14%	10,998	0.15%
	<u>\$ 7,701,890</u>	<u>100.00%</u>	<u>7,164,664</u>	<u>100.00%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Business – Type Activities

Revenues from business-type activities totaled \$19,488,133 and expenses were \$29,601,466 for the fiscal year ending September 30, 2021 while revenues were \$24,873,999 and expenses were \$23,338,008 for the fiscal year ending September 30, 2020. The following table shows the business – type activities revenue and expenses by source. The Electric Fund accounted for the largest amount of revenue, followed by the Gas Fund and the Water and Sewer Fund. These three funds accounted for 90.92% and 92.84% of total business – type revenues, for the fiscal years ending September 30, 2021 and September 30, 2020.

Expenses for the Electric Fund were the largest amount of the total expenses for the year, followed by the Gas Fund and the Water and Sewer Fund. These three funds accounted for 93.25% and 94.17% of the total expenses for business – type activities, for the fiscal years ending September 30, 2021 and September 30, 2020.

Business-type Activities – Revenue by Source

	Sept. 30, 2021		Sept. 30, 2020	
	Amount	Percent	Amount	Percent
Charges for Services:				
Water and sewer	\$ 2,748,857	14.11%	\$ 3,065,755	12.33%
Gas	3,651,521	18.74%	8,216,135	33.03%
Electric	14,788,988	75.89%	14,231,328	57.22%
CNS - cable	21,379	0.11%	107,074	0.43%
Solid waste	787,449	4.04%	789,956	3.18%
Airport	232,569	1.19%	245,053	0.99%
	<u>22,230,763</u>	<u>114.07%</u>	<u>26,655,301</u>	<u>107.16%</u>
Other Revenues:				
Water and sewer	144,154	0.74%	369,299	1.48%
Gas	2,693	0.01%	3,640	0.01%
Electric	97,241	0.50%	425,470	1.71%
Solid waste	-	0.00%	32,000	0.13%
CNS - cable	768,968	3.95%	674,218	2.71%
Airport	47,742	0.24%	286,720	1.15%
	<u>1,060,798</u>	<u>5.44%</u>	<u>1,791,347</u>	<u>7.20%</u>
Transfers In (Out)				
Water and sewer	(409,427)	-2.10%	41,432	0.17%
Gas	(1,008,524)	-5.18%	(995,754)	-4.00%
Electric	(2,297,310)	-11.79%	(2,266,812)	-9.11%
CNS - cable	(318,400)	-1.63%	(312,100)	-1.25%
Solid waste	(53,059)	-0.27%	(72,570)	-0.29%
Airport	283,292	1.45%	32,555	0.13%
	<u>(3,803,428)</u>	<u>-19.52%</u>	<u>(3,573,249)</u>	<u>-14.37%</u>
Total Revenues	<u>\$ 19,488,133</u>	<u>100.00%</u>	<u>\$ 24,873,399</u>	<u>100.00%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Business-type Activities – Expenses by Source

	Sept. 30, 2021		Sept. 30, 2020	
	Amount	Percent	Amount	Percent
Water and sewer	\$ 2,844,843	14.51%	\$ 2,679,415	11.48%
Gas	2,683,798	13.69%	7,228,692	30.97%
Electric	12,752,265	65.06%	12,071,193	51.72%
CNS -cable	59,839	0.31%	102,390	0.44%
Solid waste	739,756	3.77%	749,779	3.21%
Airport	520,965	2.66%	506,539	2.17%
	<u>\$ 19,601,466</u>	<u>100.00%</u>	<u>\$ 23,338,008</u>	<u>100.00%</u>

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Camilla uses fund accounting to ensure compliance with management purposes or legal requirements.

General Fund: The General Fund is the chief operating fund of the City. At the end of the fiscal year September 30, 2021, the General Fund had a fund balance of \$3,986,084 a decrease of \$518,775 for the year. Transfers from the business-type activities of \$3,803,056 absorbed shortages in budgeted revenues and reduction in budget expenditures to offset this decrease.

Budgeted revenues exceeded actual revenues by \$719,154. Decreases in property taxes, increases in other taxes, and increases in miscellaneous revenues collected are the primary reasons for this deficit.

Budgeted expenditures exceeded actual expenditures by \$1,263,616. Capital assets not purchased or constructed allowed the City to keep budget expenditures down. No department had expenditures over budget.

The fund balance of the Development Authority increased by \$351 during the year. Budgeted revenues exceeded actual revenues by \$965. Budgeted expenditures exceeded actual expenditures by \$614, most of which was for debt service.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Business-Type Activities:

The enterprise funds include the City's Water and Sewer Fund, Electric Fund, Gas Fund, Solid Waste Fund, Airport Fund, and Cable TV Fund.

The total net position of these funds are as follows:

	Balance Sept. 30, 2021	Balance Sept. 30, 2020	Change (Decrease)
Water & sewer	\$ 21,019,731	\$ 21,380,990	\$ (361,259)
Electric	21,774,067	21,937,413	(163,346)
Gas	5,025,059	5,063,167	(38,108)
Solid waste	714	6,080	(5,366)
Airport	4,312,251	4,269,613	42,638
Cable TV	(1,133,259)	(1,545,367)	412,108
	<u>\$ 50,998,563</u>	<u>\$ 51,111,896</u>	<u>\$ (113,333)</u>

The decreases in the gas, water & sewer, and electric funds are a result of transfers and depreciation expense for the fiscal year ending September 30, 2021. The change in the Cable TV fund is primarily the result of income received from the city's investment in the South Georgia Governmental Services Authority.

Capital Assets:

The City of Camilla has invested \$57,288,838 and \$57,272,633 in capital assets (net of depreciation) as of September 30, 2021 and 2020, respectively. Capital assets include land, buildings, improvements, equipment and vehicles, infrastructure, facilities and construction in progress. Business-type activities account for 73.78% and 75.41% of this investment while 26.21% and 24.59% is related to governmental activities for these fiscal years.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CITY OF CAMILLA Capital Assets (Net of Depreciation) As of September 30, 2021

Capital assets are summarized as follows:

	Governmental Activities	Business- Type Activities	Total
Land	\$ 859,063	\$ 1,366,673	\$ 2,225,736
Buildings	8,107,464	2,465,326	10,572,790
Improvements	1,523,933	98,650	1,622,583
Equipment and vehicles	4,522,951	2,806,443	7,329,394
Infrastructure	16,004,291		16,004,291
Facilities		60,032,960	60,032,960
Construction in progress	765,800	170,855	936,655
	<u>31,783,502</u>	<u>66,940,907</u>	<u>98,724,409</u>
Accumulated depreciation	16,764,006	24,671,565	41,435,571
	<u>\$ 15,019,496</u>	<u>\$ 42,269,342</u>	<u>\$ 57,288,838</u>

CITY OF CAMILLA Capital Assets (Net of Depreciation) As of September 30, 2020

Capital assets are summarized as follows:

	Governmental Activities	Business- Type Activities	Total
Land	\$ 859,063	\$ 1,366,673	\$ 2,225,736
Buildings	7,974,545	2,322,975	10,297,520
Improvements	1,493,366	98,650	1,592,016
Equipment and vehicles	3,943,569	2,752,587	6,696,156
Infrastructure	15,678,777	-	15,678,777
Facilities	-	59,637,040	59,637,040
Construction in progress	77,725	-	77,725
	<u>30,027,045</u>	<u>66,177,925</u>	<u>96,204,970</u>
Accumulated depreciation	15,944,541	22,987,796	38,932,337
	<u>\$ 14,082,504</u>	<u>\$ 43,190,129</u>	<u>\$ 57,272,633</u>

Additional information on the City of Camilla's capital assets can be found in Note 3 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Debt Administration

The City of Camilla's long-term debt consists of revenue bonds and notes payable.

As of September 30, 2021, the City had no long-term debt related to Governmental Activities and \$7,774,174 of long-term debt related to business-type activities for a total of \$7,774,174. Previous year's total was \$8,232,157. This is a decrease of \$866,933 due to the payment of debt principal during the year and the addition of \$408,950 in new debt for the Water & Sewer Fund.

CITY OF CAMILLA Long – Term Debt As of September 30, 2021

	Governmental Activities	Business- Type Activities	Total
Leases	\$	\$	\$
Notes payable		7,774,174	7,774,174
Bonds payable			
	<u>\$</u>	<u>\$ 7,774,174</u>	<u>\$ 7,774,174</u>

CITY OF CAMILLA Long – Term Debt As of September 30, 2020

	Governmental Activities	Business- Type Activities	Total
Leases	\$	\$	\$
Notes payable		8,232,157	8,232,157
Bonds payable			
	<u>\$</u>	<u>\$ 8,232,157</u>	<u>\$ 8,232,157</u>

Additional information on the City's long-term debt can be found in Note 4 in this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and Council of the City of Camilla considered various factors when approving the City's fiscal year September 30, 2022 budget. Present economic conditions and the effect on its citizens resulted in choosing to stabilize transfers from business-type activities to governmental activities, rather than a small tax increase.

Factors considered during the preparation of the budget for fiscal year 2022 included the following:

1. Use of grants and SPLOST funds for various projects.
2. Review of health insurance coverage to stabilize costs to the City.
3. The volatility in fuel costs for operations.
4. Impact of the sale of the cable television system and telecommunication system on city operations.
5. Continued safety awareness and training to reduce insurance costs.
6. Minimal salary increases were implemented.
7. Capital expenditures were delayed.
8. User fees and utility rates were reviewed and adjusted as needed.
9. Evaluation of economic conditions on utility customers and lessors of property.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of Camilla's finances and to demonstrate the City's accountability for the money it owes. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the City of Camilla, Chief Financial Officer, P.O. Box 328, Camilla, Georgia 31730.

CITY OF CAMILLA
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets			
Cash and cash equivalents	\$ 1,010,756	\$ 2,150,454	\$ 3,161,210
Investments			
MEAG Municipal Competitive Trust -			
Flexible Operations Account	-	9,021,323	9,021,323
South Georgia Governmental Services Authority	-	1,556,957	1,556,957
Receivables, net:			
Taxes	908	-	908
Accounts	17,494	2,300,328	2,317,822
Notes receivable	18,196	-	18,196
Other governments	93,830		93,830
Other	20,233		20,233
Internal balances	2,808,703	(2,808,703)	-
Inventories	518,186	42,921	561,107
Prepaid expenses	512,410	37,499	549,909
Restricted assets:			
Cash	1,742,358	-	1,742,358
Total current assets	6,743,074	12,300,779	19,043,853
Noncurrent assets			
Restricted assets:			
Cash	-	573,510	573,510
MEAG Municipal Competitive Trust -			
New Generation Account	-	6,206,163	6,206,163
Notes receivable	344,215	-	344,215
Prepaid electricity	-	364,924	364,924
Capital assets:			
Land and other nondepreciable assets	1,624,863	1,537,528	3,162,391
Other capital assets, net of accumulated depreciation	13,394,633	40,731,814	54,126,447
Total noncurrent assets	15,363,711	49,413,939	64,777,650
Deferred outflows of resources related to pensions	493,359	226,877	720,236
Total assets and deferred outflows of resources	22,600,144	61,941,595	84,541,739

See accompanying notes to the basic financial statements.

CITY OF CAMILLA
GOVERNMENT-WIDE STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2021

	Governmental Activities	Business-type Activities	Total
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current Liabilities:			
Accounts payable	787,529	1,700,411	2,487,940
Accrued expenses	53,330	16,242	69,572
Sales tax payable	-	87,784	87,784
Customer deposits	345,811	32,658	378,469
Notes and mortgages payable	-	564,851	564,851
Total current liabilities	1,186,670	2,401,946	3,588,616
Noncurrent Liabilities:			
Notes and mortgages payable	-	7,209,323	7,209,323
Customer deposits and debt reserve	-	811,815	811,815
Net pension liability	1,146,211	500,927	1,647,138
Total noncurrent liabilities	1,146,211	8,522,065	9,668,276
Deferred inflows of resources:			
Deferred inflows - pensions	90,547	19,021	109,568
Total deferred inflows of resources	90,547	19,021	109,568
Total liabilities and deferred inflows of resources	2,423,428	10,943,032	13,366,460
NET POSITION			
Net investment in capital assets	15,019,496	34,495,168	49,514,664
Restricted for:			
Loan payments	-	573,510	573,510
Power generation	-	6,206,163	6,206,163
Repairs	104,166		104,166
Capital projects	477,691	-	477,691
American Rescue Plan Act	917,052		917,052
Unrestricted	3,658,311	9,723,722	13,382,033
Total net position	\$ 20,176,716	\$ 50,998,563	\$ 71,175,279

See accompanying notes to the basic financial statements.

CITY OF CAMILLA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Function/Programs:	Net (Expense) Revenue and Changes in Net Position				
	Program Revenues		Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
PRIMARY GOVERNMENT:					
Governmental activities:					
General government	\$ 2,246,549	\$ 544,026	\$ -	\$ 175,808	\$ (1,526,715) \$ (1,526,715)
Judicial	100,511	18,620	-	-	(81,891) (81,891)
Public safety	3,071,876	183,257	1,000	71,285	(2,816,334) (2,816,334)
Public works	1,700,770	196,670	25,588	619,666	(858,846) (858,846)
Housing and development	571,588	31,182	105,761	-	(434,645) (434,645)
Interest - general long-term debt	10,596	-	-	-	(10,596) (10,596)
Total governmental activities	7,701,890	973,755	132,349	866,759	(5,729,027) (5,729,027)
Business-type activities:					
Water and sewer	2,844,843	2,748,857	-	140,012	44,026 44,026
Gas	2,683,798	3,651,521	-	-	967,723 967,723
Electric	12,752,265	14,788,988	-	94,513	2,131,236 2,131,236
CNS Cable	59,839	21,379	-	-	(38,460) (38,460)
Solid waste	739,756	787,449	-	-	47,693 47,693
Airport	520,965	232,569	-	47,742	(240,654) (240,654)
Total business-type activities	19,601,466	22,230,763	-	282,267	2,911,564 2,911,564
Total primary government	\$27,303,356	\$23,204,518	\$ 132,349	\$ 1,149,026	(2,817,463) (2,817,463)
General revenues:					
Taxes:					
Property taxes, levied for general purposes				1,351,762	1,351,762
Other taxes				596,118	596,118
ARPA revenue				935,832	935,832
Investment income				22,121	773,322
Gain on disposal of capital assets, net of losses				607	5,209
Total general revenues				2,906,440	778,531
Transfers				3,803,428	(3,803,428)
Total general revenues and transfers				6,709,868	(3,024,897)
Change in net position				980,841	(113,333)
Net position - beginning				19,195,875	51,111,896
Net position - ending				\$ 20,176,716	\$ 50,998,563

See accompanying notes to the basic financial statements.

CITY OF CAMILLA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Capital Projects Funds		Special Revenue Funds			Total Governmental Funds
	General Fund	SPLOST	TSPLOST	ARPA	Hotel/Motel Tax	Development Authority
ASSETS						
Cash	\$ 951,451	\$ -	\$ -	\$ -	\$ -	\$ 951,451
Receivables, net:						
Taxes	908	-	-	-	-	908
Accounts	17,494	-	-	-	-	17,494
Notes	-	-	-	-	-	-
Other governments	1,680	46,269	45,881	-	-	93,830
Other	20,233	-	-	-	-	20,233
Advances to other funds	3,216,102	-	-	-	-	3,216,102
Inventories	12,711	-	-	-	-	12,711
Prepaid expenses	512,410	-	-	-	-	512,410
Restricted asset:						
Cash	104,166	533,377	187,763	917,052	-	1,742,358
Total assets	<u>\$ 4,837,155</u>	<u>\$ 579,646</u>	<u>\$ 233,644</u>	<u>\$ 917,052</u>	<u>\$ -</u>	<u>\$ 7,494,688</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Liabilities						
Accounts payable	\$ 451,930	\$ 328,934	\$ 6,665	\$ -	\$ -	\$ 787,529
Accrued expenses	53,330	-	-	-	-	53,330
Advances from other funds	-	-	-	-	-	-
Customer deposits	345,811	-	-	-	-	345,811
Total liabilities	<u>851,071</u>	<u>328,934</u>	<u>6,665</u>	<u>-</u>	<u>-</u>	<u>1,594,069</u>
FUND BALANCES						
Nonspendable	3,333,823	-	-	-	-	3,333,823
Restricted	104,166	250,712	226,979	917,052	-	1,498,909
Committed	783,268	-	-	-	-	783,268
Assigned	578,428	-	-	-	-	578,428
Unassigned	(813,601)	-	-	-	-	(813,601)
Total fund balances	<u>3,986,084</u>	<u>250,712</u>	<u>226,979</u>	<u>917,052</u>	<u>-</u>	<u>5,900,619</u>
Total liabilities and fund balances	<u>\$ 4,837,155</u>	<u>\$ 579,646</u>	<u>\$ 233,644</u>	<u>\$ 917,052</u>	<u>\$ -</u>	<u>\$ 7,494,688</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, 2021

Fund Balance - Total Governmental Funds	\$ 5,900,619	
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	31,783,502	
Less accumulated depreciation	<u>(16,764,006)</u>	15,019,496
Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net pension liability		(1,146,211)
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	493,359	
Deferred inflows of resources - pensions	<u>(90,547)</u>	402,812
Net position of governmental activities		<u>\$ 20,176,716</u>

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, 2021

	General Fund	Capital Projects Funds		Special Revenue Funds			Total Governmental Funds
		SPLOST	TSPLOST	ARPA	Hotel/Motel Tax	Development Authority	
REVENUES							
Property taxes	\$ 1,351,762	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,351,762
Other taxes	727,401	-	-	-	32,599	-	760,000
Licenses and permits	76,711	-	-	-	-	-	76,711
Fines and forfeitures	199,861	-	-	-	-	-	199,861
Charges for services	224,350	-	-	-	-	-	224,350
Intergovernmental	202,549	561,497	233,615	935,832	-	-	1,933,493
Building and land rental	225,538	-	-	-	-	1,950	227,488
Interest income	12,594	418	29	225	-	9,302	22,568
Miscellaneous revenues	51,280	-	-	-	-	31,183	82,463
Total revenues	<u>3,072,046</u>	<u>561,915</u>	<u>233,644</u>	<u>936,057</u>	<u>32,599</u>	<u>42,435</u>	<u>4,878,696</u>
EXPENDITURES							
Current:							
General government	2,207,448	768,181	-	5	-	3,290	2,978,924
Judicial	100,511	-	-	-	-	-	100,511
Public safety	2,842,511	71,285	-	-	-	-	2,913,796
Public works	1,724,927	314,821	6,665	-	-	-	2,046,413
Housing and development	524,087	-	-	-	32,599	-	556,686
Debt service	-	-	-	-	-	-	-
Interest	-	-	-	-	-	10,596	10,596
Total expenditures	<u>7,399,484</u>	<u>1,154,287</u>	<u>6,665</u>	<u>5</u>	<u>32,599</u>	<u>13,886</u>	<u>8,606,926</u>
Excess (deficiency) of revenues over (under) expenditures	(4,327,438)	(592,372)	226,979	936,052	-	28,549	(3,728,230)
OTHER FINANCING SOURCES							
Transfers, net	3,803,056	14,372	-	(19,000)	-	5,000	3,803,428
Proceeds from sale of capital assets	5,607	-	-	-	-	-	5,607
Total other financing resources	<u>3,808,663</u>	<u>14,372</u>	<u>-</u>	<u>(19,000)</u>	<u>-</u>	<u>5,000</u>	<u>3,809,035</u>
Net change in fund balances	(518,775)	(578,000)	226,979	917,052	-	33,549	80,805
Fund balances - beginning	4,504,859	828,712	-	-	-	486,243	5,819,814
Fund balances - ending	<u>\$ 3,986,084</u>	<u>\$ 250,712</u>	<u>\$ 226,979</u>	<u>\$ 917,052</u>	<u>\$ -</u>	<u>\$ 519,792</u>	<u>\$ 5,900,619</u>

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, 2021

Net change in fund balances - total governmental funds	\$ 80,805
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	1,790,383
Depreciation expense	<u>(846,293)</u>
	944,090
Governmental funds report proceeds from the disposal of capital assets, whereas, gain or loss on the disposal of capital assets are reported in the statement of activities.	
Proceeds from the disposal of capital assets	5,607
Loss on the disposal of capital assets	2,098
Gain on the sale of capital assets	<u>(607)</u>
	(7,098)
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>(36,956)</u>
Change in net position of governmental activities	<u>\$ 980,841</u>

See accompanying notes to the basic financial statements.

CITY OF CAMILLA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business Type Activities - Enterprise Funds						
	Water and Sewer	Gas	Electric	CNS Cable	Solid Waste	Airport	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Current assets:							
Cash	\$ 335,306	\$ 1,102,881	\$ 712,267	\$ -	\$ -	\$ -	\$ 2,150,454
Investments:							-
MEAG Mun. Competitive Trust:							
Flexible Operating Account	-	-	9,021,323	-	-	-	9,021,323
South Georgia Governmental Services Authority	-	-	-	1,556,957	-	-	1,556,957
Accounts receivable, net	197,397	280,993	1,398,377	346,389	71,860	5,312	2,300,328
Intergovernmental receivable	8,179	-	-	-	-	34,742	42,921
Inventories	-			-		37,499	37,499
Total current assets	540,882	1,383,874	11,131,967	1,903,346	71,860	77,553	15,109,482
Noncurrent assets:							
Restricted assets:							
Cash	573,510	-	-	-	-	-	573,510
MEAG Mun. Competitive Trust:							
New Generation Account	-	-	6,206,163	-	-	-	6,206,163
Prepayments and deferred charges:							
Prepaid electricity	-	-	364,924	-	-	-	364,924
Capital assets:							
Land	1,225,703	40,479	14,640	15,000	-	70,851	1,366,673
Construction in progress	136,113	-	-	-	-	34,742	170,855
Other capital assets, net of accumulated depreciation	27,276,235	3,868,843	5,284,473	138,946	-	4,163,317	40,731,814
Net capital assets	28,638,051	3,909,322	5,299,113	153,946	-	4,268,910	42,269,342
Total noncurrent assets	29,211,561	3,909,322	11,870,200	153,946	-	4,268,910	49,413,939
Total assets	29,752,443	5,293,196	23,002,167	2,057,292	71,860	4,346,463	64,523,421
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows from pensions	80,219	34,046	81,207	-	13,751	17,654	226,877
Total deferred outflows of resources	80,219	34,046	81,207	-	13,751	17,654	226,877
Total assets and deferred outflows of resources	\$ 29,832,662	\$ 5,327,242	\$ 23,083,374	\$ 2,057,292	\$ 85,611	\$ 4,364,117	\$ 64,750,298

See accompanying notes to the basic financial statements.

CITY OF CAMILLA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business Type Activities - Enterprise Funds						
	Water and Sewer	Gas	Electric	CNS Cable	Solid Waste	Airport	Total
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 44,371	\$ 210,535	\$ 1,062,161	\$ 319,901	\$ 52,206	\$ 11,237	\$ 1,700,411
Accrued expenses	6,134	3,427	5,057	-	541	1,083	16,242
Sales tax	-	3,356	55,092	29,289	-	47	87,784
Notes payable, current	564,851	-	-	-	-	-	564,851
Customer deposits	-	-	-	32,658	-	-	32,658
Total current liabilities	615,356	217,318	1,122,310	381,848	52,747	12,367	2,401,946
Noncurrent liabilities:							
Advances from other funds	-	-	-	2,808,703	-	-	2,808,703
Customer deposit and debt reserve	811,815	-	-	-	-	-	811,815
Notes payable, net of current portion	7,209,323	-	-	-	-	-	7,209,323
Net pension liability	172,222	80,985	177,822	-	31,128	38,770	500,927
Total liabilities	8,808,716	298,303	1,300,132	3,190,551	83,875	51,137	13,732,714
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows from pensions	4,215	3,880	9,175	-	1,022	729	19,021
Total deferred inflows of resources	4,215	3,880	9,175	-	1,022	729	19,021
Total liabilities/def. inflows of resources	8,812,931	302,183	1,309,307	3,190,551	84,897	51,866	13,751,735
NET POSITION							
Net investment in capital assets	20,863,877	3,909,322	5,299,113	153,946	-	4,268,910	34,495,168
Restricted for loan payments	573,510	-	-	-	-	-	573,510
Restricted for power generation	-	-	6,206,163	-	-	-	6,206,163
Unrestricted	(417,656)	1,115,737	10,268,791	(1,287,205)	714	43,341	9,723,722
Total net position	\$ 21,019,731	\$ 5,025,059	\$ 21,774,067	\$ (1,133,259)	\$ 714	\$ 4,312,251	\$ 50,998,563

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, 2021

Business Type Activities - Enterprise Funds							
	Water and Sewer	Gas	Electric	CNS Cable	Solid Waste	Airport	Total
OPERATING REVENUES							
Charges for services	\$ 1,774,663	\$ 3,646,912	\$ 14,283,869	\$ 9,386	\$ 783,551	\$ 206,042	\$ 20,704,423
Sewer surcharges	344,356	-	-	-	-	-	344,356
Availability charges	603,489	-	-	-	-	-	603,489
MEAG discretionary income	-	-	334,800	-	-	-	334,800
Rental	13,219	-	119,067	9,000	-	26,527	167,813
Miscellaneous	13,130	4,609	51,252	2,993	3,898	-	75,882
Total operating revenues	2,748,857	3,651,521	14,788,988	21,379	787,449	232,569	22,230,763
OPERATING EXPENSES							
Personnel services	562,396	292,198	834,963	-	110,611	153,000	1,953,168
Contractual services	344,328	28,305	26,988	5,738	3,291	32,596	441,246
Cost of sales/service	-	2,114,821	11,391,915	40,353	614,780	106,268	14,268,137
Repairs	379,321	39,218	52,672	324	2,624	10,581	484,740
Materials and supplies	216,865	36,073	122,787	4,698	8,450	13,797	402,670
Rental	21,764	16,573	-	-	-	10,200	48,537
Depreciation	1,126,793	123,643	289,941	8,604	-	169,484	1,718,465
Other	17,713	32,967	32,999	122	-	23,997	107,798
Total operating expenses	2,669,180	2,683,798	12,752,265	59,839	739,756	519,923	19,424,761
Operating income (loss)	79,677	967,723	2,036,723	(38,460)	47,693	(287,354)	2,806,002
NONOPERATING INCOME (EXPENSES)							
Investment income	391	2,693	1,270	768,968	-	-	773,322
Interest expense	(175,663)	-	-	-	-	(1,042)	(176,705)
Gain on disposition of capital assets	3,751	-	1,458	-	-	-	5,209
Total nonoperating revenue (expenses)	(171,521)	970,416	2,039,451	730,508	47,693	(288,396)	3,407,828
GRANTS, CONTRIBUTIONS AND TRANSFERS							
Capital grants and contributions	140,012	-	94,513	-	-	47,742	282,267
Transfers, net	(409,427)	(1,008,524)	(2,297,310)	(318,400)	(53,059)	283,292	(3,803,428)
Total grants and contributions and transfers	(269,415)	(1,008,524)	(2,202,797)	(318,400)	(53,059)	331,034	(3,521,161)
Change in net position	(361,259)	(38,108)	(163,346)	412,108	(5,366)	42,638	(113,333)
Net position, beginning of year	21,380,990	5,063,167	21,937,413	(1,545,367)	6,080	4,269,613	51,111,896
Net position, end of year	\$ 21,019,731	\$ 5,025,059	\$ 21,774,067	\$ (1,133,259)	\$ 714	\$ 4,312,251	\$ 50,998,563

See accompanying notes to the basic financial statements.

CITY OF CAMILLA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business Type Activities - Enterprise Funds					
	Water and Sewer	Gas	Electric	CNS Cable	Solid Waste	Airport
						Total
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 2,708,163	\$ 3,741,210	\$14,676,141	\$ 74,599	\$ 786,940	\$ 197,860
Other receipts	13,130	4,609	51,252	2,993	3,898	-
Interfund receipts (payments)	-	-	-	(109,690)	-	-
Payments to employees (or for their benefit) for services provided	(557,704)	(289,669)	(828,074)	-	(109,822)	(151,776)
Payments to suppliers for goods or services	(999,637)	(2,294,326)	(11,488,225)	(36,007)	(627,957)	(198,983)
Net cash provided (used) by operating activities	1,163,952	1,161,824	2,411,094	(68,105)	53,059	(152,899)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers (to) from other funds	(409,427)	(1,008,524)	(2,297,310)	(318,400)	(53,059)	283,292
Net cash provided (used) by noncapital financing activities	(409,427)	(1,008,524)	(2,297,310)	(318,400)	(53,059)	283,292
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from issuance of long-term debt	408,950	-	-	-	-	-
Proceeds from the sale of assets	3,751	-	1,458	-	-	-
Capital grants and contributions	140,012	-	94,513	-	-	47,742
Acquisition and construction of capital assets	(510,539)	(9,500)	(77,222)	(23,325)	-	(177,093)
Principal paid on capital debt	(866,933)	-	-	-	-	-
Interest paid on capital debt	(175,663)	-	-	-	-	(1,042)
Net cash provided (used) by noncapital financing activities	(1,000,422)	(9,500)	18,749	(23,325)	-	(130,393)
						(1,144,891)

See accompanying notes to the basic financial statements.

CITY OF CAMILLA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business Type Activities - Enterprise Funds					
	Water and Sewer	Gas	Electric	CNS Cable	Solid Waste	Airport
CASH FLOWS FROM INVESTING ACTIVITIES						Total
Change in Investments	-	-	(334,149)	(359,138)	-	-
Interest/investment income	391	2,693	1,270	768,968	-	-
Net cash provided by investing activities	391	2,693	(332,879)	409,830	-	-
Net increase in cash	(245,506)	146,493	(200,346)	-	-	-
Balances - beginning	1,154,322	956,388	912,613	-	-	-
Balances - ending	\$ 908,816	\$ 1,102,881	\$ 712,267	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 79,677	\$ 967,723	\$ 2,036,723	\$ (38,460)	\$ 47,693	\$ (287,354)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation expense	1,126,793	123,643	289,941	8,604	-	169,484
Change in assets and liabilities:						
Receivables, net	16,199	94,298	(61,595)	23,555	3,389	(34,709)
Due to/from other funds	-	-	-	(109,690)	-	-
Customer deposits	(43,763)	-	-	32,658	-	-
Prepaid expenses	-	-	21,359	-	-	-
Pension related balances	4,692	2,529	6,889	-	789	1,224
Accounts payable and accrued expenses	(19,646)	(26,369)	117,777	15,228	1,188	6,874
Inventory	-	-	-	-	-	(8,418)
Net cash provided by operating activities	\$ 1,163,952	\$ 1,161,824	\$ 2,411,094	\$ (68,105)	\$ 53,059	\$ (152,899)
						\$ 4,568,925

Noncash activity: The water and sewer fund and the electric revenue fund disposed of capital assets with costs of \$19,738 and \$514,958 and accumulated depreciation of \$19,738 and \$14,958, respectively. A fully depreciated asset, with a cost of \$3,107, was transferred from the Gas Revenue Fund to the Water and Sewer Fund.

See accompanying notes to the basic financial statements.

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY

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 16 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States 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 (CONTINUED)
SEPTEMBER 30, 2021

NOTE 2 - 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 (CONTINUED)
SEPTEMBER 30, 2021

NOTE 2 - 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 a 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 18
- 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, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. 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 budget of City is prepared in accordance with Section 4.2 of the City Charter and is based on prior 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, 2021

NOTE 2 - 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 activity the Authority may have cannot be anticipated and is generally handled through budget amendments. The budget for the next year is adopted by the Authority's Board of Directors at the last meeting of the year.

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 could 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, 2021

NOTE 2 - 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 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, 2021

NOTE 2 - 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, 2021.

Cash and Cash Equivalents

For 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 8 for a detail 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.

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, 2021, transfers to the general fund for administrative services were as follows:

Water & sewer	\$ 200,000
Electric	525,000
Gas	300,000
Solid waste	30,000
CNS cable	318,400
Total	<u>\$1,373,400</u>

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2 - 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, 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 balance 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 also may modify or rescind the commitment.
- Assigned – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. Through resolution 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 criterion. 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 22 for details of the City’s amounts in each classification.

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2 - 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 is 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, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Coverages are as follows:

COVERAGE DESCRIPTION - PROPERTY:

Buildings and contents (Blanket)	\$ 47,359,378
Mobile equipment	\$ 914,960
Automobile physical damage per application on file with GIRMA	

COVERAGE DESCRIPTION - CASUALTY:

Comprehensive general liability and law enforcement liability	\$ 1,000,000
Automobile liability	\$ 1,000,000
Errors and omissions (public officials) liabilities	\$ 1,000,000
Employee benefit liability	\$ 1,000,000
Aggregate limit	\$ 5,000,000

COVERAGE DESCRIPTION - CRIME:

Blanket bond - employees required to be bonded as required by State law or local ordinance	\$ 500,000
Blanket bond - all other employees	\$ 500,000
Depository forgery	\$ 500,000
Money and securities	\$ 500,000
Computer crimes	\$ 500,000

COVERAGE EXCEPTIONS:

COVERAGES SUBJECT TO A RETROACTIVE DATE:

Coverages shown as Coverage Exceptions only are subject to a retroactive date of February 1, 1988.

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 \$5000 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.

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

During the years ended September 30, 2019, 2020, and 2021, the City paid claims each year (up to the deductible) totaling, \$23,691, \$2,920 and \$15,000 respectively. Claims paid by the City for 2019 were significantly larger due to damage to City property by Hurricane Michael. 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, 2021. No provisions have been made in the financial statements for the year ended September 30, 2021 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.

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, 2021, the bank account balance was \$488,791 more than all claims incurred by employees through that date including all claims paid through January 2022. 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.

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3 - 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	77,725	688,075	-	-	765,800
Total capital assets not being depreciated	936,788	688,075	-	-	1,624,863
Capital assets being depreciated					
Buildings	7,974,545	111,088	-	21,831	8,107,464
Improvements	1,493,366	28,066	-	2,501	1,523,933
Equipment and vehicles	3,943,569	635,160	(33,938)	(21,840)	4,522,951
Infrastructure	15,678,777	328,006	-	(2,492)	16,004,291
Total assets being depreciated	29,090,257	1,102,320	(33,938)	-	30,158,639
Less accumulated depreciation for:					
Buildings	(4,133,669)	(216,965)	-	-	(4,350,634)
Improvements	(1,469,518)	(32,132)	-	102,115	(1,399,535)
Equipment and vehicles	(2,667,018)	(290,024)	26,828	-	(2,930,214)
Infrastructure	(7,674,336)	(307,172)	-	(102,115)	(8,083,623)
Total accumulated depreciation	(15,944,541)	(846,293)	26,828	-	(16,764,006)
Total capital assets being depreciated, net	13,145,716	256,027	(7,110)	-	13,394,633
Governmental activities capital assets, net	<u>\$ 14,082,504</u>	<u>\$ 944,102</u>	<u>\$ (7,110)</u>	<u>\$ -</u>	<u>\$ 15,019,496</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	1,366,673	170,855	-	-	1,537,528
Capital assets being depreciated					
Buildings	2,322,975	142,351	-	-	2,465,326
Improvements	98,650	-	-	-	98,650
Equipment and vehicles	2,752,587	88,552	(34,696)	-	2,806,443
Facilities	59,637,040	395,920	-	-	60,032,960
Total assets being depreciated	64,811,252	626,823	(34,696)	-	65,403,379

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Disposals	Reclassifications	Ending Balance
Less accumulated depreciation for:					
Buildings	(1,060,711)	(59,597)	-	-	(1,120,308)
Improvements	(98,650)	-	-	-	(98,650)
Equipment and vehicles	(1,634,090)	(194,342)	34,696	-	(1,793,736)
Facilities	(20,194,345)	(1,464,526)	-	-	(21,658,871)
Total accumulated depreciation	(22,987,796)	(1,718,465)	34,696	-	(24,671,565)
Total capital assets being depreciated, net	41,823,456	(1,091,642)	-	-	40,731,814
Total business-type activities capital assets net	<u>\$ 43,190,129</u>	<u>\$ (920,787)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,269,342</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 221,169
Public safety	209,323
Public works (including infrastructure)	403,410
Housing and development	12,391
Total depreciation expense - governmental activities	<u>\$ 846,293</u>
Business-type activities	
Water and sewer	\$ 1,126,793
Gas	123,643
Electric	289,941
CNS cable	8,604
Solid waste	-
Airport	169,484
Total depreciation expense - business-type activities	<u>\$ 1,718,465</u>

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 4 - 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

As of September 30, 2021, the governmental activities had no long-term debt other than net pension liability as explained in Note 7.

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 May 22, 2003, for \$1,410,307 bearing interest at 3% is payable in eighty quarterly installments of \$24,188 starting April 1, 2006. The loan was paid off during the year ended September 30, 2021.

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.

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.

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 4 - DEBT AND DEBT SERVICE (CONTINUED)

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, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
SRF permanent loans:					
SRF (5/22/03)	\$ 447,501	\$ -	\$ (447,501)	\$ -	\$ -
SRF (2/22/10)	5,540,991		(299,259)	5,241,732	409,618
SRF (3/12/12)	1,086,239		(48,930)	1,037,309	66,706
SRF (9/18/17)	1,157,426	-	(39,971)	1,117,455	53,711
Total SRF permanent loans	<u>8,232,157</u>	<u>-</u>	<u>(835,661)</u>	<u>7,396,496</u>	<u>530,035</u>
SRF construction loans:					
SRF (2/22/21)	-	9,600		9,600	-
SRF (2/22/21)	-	5,600	-	5,600	-
SRF (2/22/21)	-	17,550	-	17,550	-
Total SRF construction loans	<u>-</u>	<u>32,750</u>	<u>-</u>	<u>32,750</u>	<u>-</u>
USDA loan	<u>-</u>	<u>376,200</u>	<u>(31,272)</u>	<u>344,928</u>	<u>34,816</u>
Total business-type activities	<u>\$ 8,232,157</u>	<u>\$ 408,950</u>	<u>\$ (866,933)</u>	<u>\$ 7,774,174</u>	<u>\$ 564,851</u>

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

Year Ending	Principal	Interest	Total
2022	\$ 564,851	\$ 193,943	\$ 758,794
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
2027-2031	3,375,950	371,556	3,747,506
2032-2036	1,123,330	39,238	1,162,568
2037-2040	259,388	4,935	264,323
Total	<u>\$ 7,741,424</u>	<u>\$ 1,226,925</u>	<u>\$ 8,968,349</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.

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5 - 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.

Balances in the various interfund accounts at September 30, 2021 were as follows:

	Interfund Balances		
	Receivables	Payables	Net
Governmental activities:			
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>
Business-type activities:			
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>

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers for the year ended September 30, 2021 were as follows:

	Transfers		
	In	Out	Net
Governmental activities:			
General fund:			
ARPA fund	\$ 15,000	\$ -	\$ 15,000
Development Authority fund	-	(5,000)	(5,000)
SPLOST fund	-	(14,372)	(14,372)
Water and Sewer fund	411,257	-	411,257
Electric Revenue fund	2,298,150	-	2,298,150
Gas Revenue fund	1,009,854	-	1,009,854
Solid Waste fund	53,059	-	53,059
Airport fund	-	(283,292)	(283,292)
CNS Cable fund	318,400	-	318,400
ARPA fund:			
General fund	-	(15,000)	(15,000)
Water and Sewer fund	-	(1,830)	(1,830)
Electric Revenue fund	-	(840)	(840)
Gas Revenue fund	-	(1,330)	(1,330)
Development Authority fund:			
General fund	5,000	-	5,000
SPLOST fund:			
General fund	14,372	-	14,372
Total governmental activities	<u>4,125,092</u>	<u>(321,664)</u>	<u>3,803,428</u>
Business-type activities:			
Water & Sewer fund:			
General fund	-	(411,257)	(411,257)
ARPA fund	1,830	-	1,830
Electric Revenue fund:			
General fund	-	(2,298,150)	(2,298,150)
ARPA fund	840	-	840
Gas Revenue fund:			
General fund	-	(1,009,854)	(1,009,854)
ARPA fund	1,330	-	1,330
Solid Waste fund:			
General fund	-	(53,059)	(53,059)
Airport fund:			
General fund	283,292	-	283,292
CNS Cable fund:			
General fund	-	(318,400)	(318,400)
Total business-type activities	<u>287,292</u>	<u>(4,090,720)</u>	<u>(3,803,428)</u>
Total	<u>\$ 4,412,384</u>	<u>\$ (4,412,384)</u>	<u>\$ -</u>

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 6 - 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, 2020 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, 2021 cannot be reasonably estimated.

NOTE 7 - 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, 2021 (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	76
Terminated plan participants entitled to but not yet receiving benefits	44
Active employees participating in the Plan	<u>86</u>
Total number of Plan participants	<u><u>206</u></u>

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

Contributions

The City's employee's 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). 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 the 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 9.20% for the year ended September 30, 2021. Total contributions paid in the plan by the City were \$324,468 for the year ended September 30, 2021.

Net Pension Liability

The City's net pension liability was measured as of January 1, 2021, 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, 2021 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 2021 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, 2021

NOTE 7 - 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%	6.40%
International equity	20%	7.05%
Domestic fixed income	20%	1.15%
Real estate	10%	4.50%
Global fixed income	5%	1.25%
Cash	0%	
Total	<u>100%</u>	

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, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

Change in the Net Pension Liability

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2019*	\$ 8,750,067	\$ 7,111,412	\$ 1,638,655
Changes for the year:			
Service costs	146,926	-	146,926
Interest	634,143	-	634,143
Difference between expected and actual experience	81,371	-	81,371
Contributions - employer	-	214,622	(214,622)
Net investment income	-	660,765	(660,765)
Benefit payments	(596,879)	(596,879)	-
Administrative expense	-	(21,430)	21,430
Net changes	<u>265,561</u>	<u>257,078</u>	<u>8,483</u>
Balances at September 30, 2020**	<u>\$ 9,015,628</u>	<u>\$ 7,368,490</u>	<u>\$ 1,647,138</u>

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

**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.

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	\$ 2,669,635	\$ 1,647,139	\$ 783,580

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

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

For the year ended September 30, 2021, the City recognized pension expense of \$234,094. At September 30, 2021, 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	\$ 324,469	\$ -
Differences between expected and actual experience	336,267	(30,576)
Changes in assumptions	59,500	-
Net difference between projected and actual earnings on pension plan investments	-	(78,992)
Total	<u>\$ 720,236</u>	<u>\$ (109,568)</u>

City contributions of \$324,469 made subsequent to 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
2022	\$ 187,712	\$ (114,598)
2023	187,712	1,468
2024	20,343	33,799
2025	-	(30,237)
	<u>\$ 395,767</u>	<u>\$ (109,568)</u>

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7 - 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, 2021 total \$82,921 for City employees and \$15,794 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 8 - RESTRICTED ASSETS

Restricted assets at September 30, 2021, 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	\$ 104,166	\$ -	\$ 104,166
SPLOST fund	Capital projects	533,377	-	533,377
T-SPLOST fund	Capital transportation projects	187,763	-	187,763
ARPA fund	Specified uses per Coronavirus Relief Act of 2021	917,052	-	917,052
Total		<u>\$ 1,742,358</u>	<u>\$ -</u>	<u>\$ 1,742,358</u>
Business -type activities:				
Water and sewer system:				
Reserve fund	GEFA/SRF loan	\$ -	\$ 573,510	\$ 573,510
Electric system:				
MEAG Municipal				
Competitive Trust	Power generation	-	6,206,163	6,206,163
Total		<u>\$ -</u>	<u>\$ 6,779,673</u>	<u>\$ 6,779,673</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, 2021

NOTE 9 - 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 20th and the lien date is the following March 20th. The levy date for 2020 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 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

- 1) Segment information for certain individual enterprise funds. All Enterprise Funds are major funds so no segment disclosure is required.
- 2) Summary disclosures of debt service requirements of maturity for all types of outstanding debt. This requirement is met by Note 4.
- 3) Summary disclosures of changes in Capital Assets by major asset class. This requirement is met by Note 3.
- 4) Summary disclosure of Long-Term Debt. This requirement is met by Note 4.
- 5) Deficit net position or fund balance: CNS Cable System \$1,133,259. It is anticipated that joint venture distributions in future years will eliminate the deficit. See Note 21 for further discussion
- 6) Individual fund interfund receivable and payable balances at September 30, 2021. This requirement is met by Note 5.

NOTE 11 - CONTINGENT LIABILITIES

The City is party to various legal proceedings which normally occur in governmental operations. In the opinion of the administration, the outcomes of these legal proceedings will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for loss has been recorded and no further disclosure is required.

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 12 - CREDIT RISKS

Deposits and Investments

Deposits – at September 30, 2021, the City and its component unit had \$2,500 in cash funds on hand and bank deposits as follows:

Carrying value	\$5,474,578
Bank balances	\$5,684,751

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, 2021 include the following:

Current:

MEAG Municipal Competitive Trust - Flexible Operating Account	\$ 9,021,323
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Noncurrent:

MEAG Municipal Competitive Trust - New Generation Trust Account	6,206,163
	<u>\$ 15,227,486</u>

See Note 20 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>\$ 1,556,957</u>
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See Note 18 for further discussion of this investment

NOTE 13 - 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, 2021

NOTE 14 - ECONOMIC DEPENDENCY

The City is currently liable for \$5,241,732 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 15 - HOTEL/MOTEL TAX

The City collected \$32,599 in Hotel/Motel tax during the year ended September 30, 2021. This tax was paid by the City to the Camilla Chamber of Commerce and used to pay tourism operating expenses by the Chamber.

NOTE 16 - 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 17 - 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. 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, 2021

NOTE 17 - MORTGAGE RECEIVABLE (CONTINUED)

Mortgage activity for the year was as follows:

	Beginning Balance	Additions	Payments	Ending Balance
Mortgage receivable	<u>\$380,159</u>	<u>\$ -</u>	<u>\$(17,748)</u>	<u>\$362,411</u>

Future payments under the mortgage agreement are as follows:

Year Ending	Principal	Interest	Total
2022	\$ 18,196	\$ 8,853	\$ 27,049
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
2027-2031	108,428	26,816	135,244
2032-2036	122,849	12,395	135,244
2037-2038	<u>35,434</u>	<u>631</u>	<u>36,065</u>
Total	<u>\$ 362,411</u>	<u>\$ 79,387</u>	<u>\$ 441,798</u>

NOTE 18 - 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, 2021, the City paid \$5,513 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, 2021

NOTE 18 - 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, 2021. 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, 2020, and the City's investment in this joint venture is carried on the equity basis at \$1,556,957 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 19 - 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 2021. 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, 2021

NOTE 20 - 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, 2021 the outstanding debt of MEAG was approximately 7.3 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$151.2 million at September 30, 2021.

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 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 \$9,021,323 at September 30, 2021 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 \$6,206,163 at September 30, 2021 and is included as a non-current restricted investment in the Electric fund.

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 20 - 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, 2021, 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 21 – NET POSITION DEFICIT

The CNS Cable System fund had a deficit net position balance of \$1,133,259 at September 30, 2021 due primarily to startup costs and expenses exceeding revenue for this new and growing cable TV utility. As explained in Note 18, 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.

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 22 - GOVERNMENTAL FUND BALANCE

At September 30, 2021, the City of Camilla classified its governmental fund type's fund balances under GASB Statement 54 as follows:

Nonspendable	
Not in spendable form:	
Inventories	\$ 518,186
Long-term notes receivable	362,411
Prepaid expenses	512,410
Required to be maintained intact	<u>2,808,702</u>
Total nonspendable net position	<u>4,201,709</u>
Restricted:	
Building repair reserves	104,166
SPLOST funds	250,712
T-SPLOST funds	226,979
ARPA funds	<u>917,052</u>
Total restricted	<u>1,498,909</u>
Committed - Stormwater funds	<u>783,268</u>
Assigned:	
Economic development funds	<u>578,428</u>
Unassigned	<u>(1,161,695)</u>
Total fund balances	<u><u>\$ 5,900,619</u></u>

NOTE 23 - INTEREST COST

Interest cost for the year ended September 30, 2021 was as follows:

Governmental activities	
Development Authority (component unit)	<u>\$ 10,596</u>
Business-type activities	
Water and sewer	\$ 175,663
Airport	<u>1,042</u>
Total	<u><u>\$ 176,705</u></u>

CITY OF CAMILLA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 24 - 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
Splash Park Recreation Facility	\$ 1,000,000	\$ 234,200	SPLOST
Sewer and sidewalk improvements	850,000	779,047	CDBG grant
Water treatment plant and lift station upgrade	1,900,000	1,890,400	GEFA/SRF loan
Replace and repair 2 wells and water main	1,400,000	1,382,450	GEFA/SRF loan

Subsequent to the date of these financial statements, the City withdrew \$4,000,000 from the MEAG Municipal Competitive Trust Flexible Operating Account, an unrestricted investment account. The City's plans for utilization of these funds include various anticipated purposes such as construction of Boys & Girls Club facilities, construction of a Senior Center, road paving projects, and economic development projects and initiatives. Any remaining funds will be held in reserve for use as needed for possible budget overages due to inflation.

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 \$1,578,000. A loan from the Georgia Environmental Finance Authority was also secured in the amount of \$1,578,000, of which \$710,000 will be forgiven upon satisfactory completion of the project.

The COVID-19 pandemic developed rapidly in 2020 and continues into 2022, with a significant number of cases. Measures taken by various governments to contain the virus has affected economic activity. Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the City could experience negative results and liquidity restraints. The exact impact on the City in the subsequent fiscal year cannot be predicted.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAMILLA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	\$ 1,257,300	\$ 1,385,300	\$ 1,351,762	\$ (33,538)
Other taxes	1,175,100	1,180,955	727,401	(453,554)
Licenses and permits	68,700	116,400	76,711	(39,689)
Fines and forfeitures	178,500	178,500	199,861	21,361
Charges for services	302,300	322,220	224,350	(97,870)
Intergovernmental	214,000	313,400	202,549	(110,851)
Rental income	144,400	144,400	225,538	81,138
Interest income	9,000	9,000	12,594	3,594
Other revenues	18,000	141,025	51,280	(89,745)
Total revenues	<u>3,367,300</u>	<u>3,791,200</u>	<u>3,072,046</u>	<u>(719,154)</u>
Expenditures				
Current				
General government				
City council	105,700	105,700	75,094	(30,606)
City manager	314,800	314,800	246,480	(68,320)
City clerk	101,700	101,700	95,093	(6,607)
Finance	262,000	406,200	406,193	(7)
Legal	26,500	49,200	49,182	(18)
Human resources	107,100	107,100	105,864	(1,236)
Facilities/buildings	1,070,400	1,070,400	291,447	(778,953)
Customer service/billing	845,500	938,500	938,095	(405)
Total general government	<u>2,833,700</u>	<u>3,093,600</u>	<u>2,207,448</u>	<u>(886,152)</u>
Judicial				
Municipal court	112,400	112,400	100,511	(11,889)
Total judicial	<u>112,400</u>	<u>112,400</u>	<u>100,511</u>	<u>(11,889)</u>
Public safety				
Police	1,675,000	1,796,000	1,795,530	(470)
Fire	1,004,500	1,047,500	1,046,981	(519)
Total public safety	<u>2,679,500</u>	<u>2,843,500</u>	<u>2,842,511</u>	<u>(989)</u>
Public works				
Public works	1,898,200	1,898,200	1,587,416	(310,784)
Maintenance shop	148,600	148,600	137,511	(11,089)
Total public works	<u>2,046,800</u>	<u>2,046,800</u>	<u>1,724,927</u>	<u>(321,873)</u>

CITY OF CAMILLA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Housing and development				
Planning - zoning and inspection	255,900	255,900	242,344	(13,556)
Economic development	310,900	310,900	281,743	(29,157)
Total housing and development	566,800	566,800	524,087	(42,713)
Total expenditures	8,239,200	8,663,100	7,399,484	(1,263,616)
Excess (deficiency) of revenues over expenditures	(4,871,900)	(4,871,900)	(4,327,438)	544,462
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	5,607	5,607
Transfers, net	4,986,800	4,986,800	3,803,056	(1,183,744)
Total other financing sources (uses)	4,986,800	4,986,800	3,808,663	(1,178,137)
Net change in fund balances	114,900	114,900	(518,775)	(633,675)
Fund balances, beginning of year,	4,504,859	4,504,859	4,504,859	-
 Fund balances, end of year	 \$ 4,619,759	 \$ 4,619,759	 \$ 3,986,084	 \$ (633,675)

CITY OF CAMILLA
BUDGETARY COMPARISON SCHEDULE – HOTEL/MOTEL TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues				
Intergovernmental	\$ 30,000	\$ 33,000	\$ 32,599	\$ (401)
Total revenues	<u>30,000</u>	<u>33,000</u>	<u>32,599</u>	<u>(401)</u>
Expenditures				
Current:				
Economic development	<u>30,000</u>	<u>33,000</u>	<u>32,599</u>	<u>(401)</u>
Total expenditures	<u>30,000</u>	<u>33,000</u>	<u>32,599</u>	<u>(401)</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance, beginning of year	-	-	-	-
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, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues				
Rental income	\$ 2,000	\$ 2,000	\$ 1,950	\$ (50)
Other income	-	31,400	31,183	(217)
Investment income	10,000	10,000	9,302	(698)
Total revenues	<u>12,000</u>	<u>43,400</u>	<u>42,435</u>	<u>(965)</u>
Expenditures				
Current:				
General government	1,000	3,500	3,290	(210)
Debt service:				
Interest	11,000	11,000	10,596	(404)
Total expenditures	<u>12,000</u>	<u>14,500</u>	<u>13,886</u>	<u>(614)</u>
Excess (deficiency) of revenues over expenditures	-	28,900	28,549	(351)
Transfer in	-	5,000	5,000	-
Fund balance, beginning of year	486,243	486,243	486,243	-
Fund balance, end of year	<u>\$ 486,243</u>	<u>\$ 520,143</u>	<u>\$ 519,792</u>	<u>\$ (351)</u>

CITY CAMILLA
SCHEDULE OF NET PENSION LIABILITY AND RELATED RATIOS – CAMILLA RETIREMENT PLAN
LAST TEN YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Year Ended September 30	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	\$ 9,015,628	\$ 8,750,067	\$ 7,876,693	\$ 7,676,584	\$ 7,263,084	\$ 6,921,244	\$ 6,395,559
Fiduciary net position	7,368,490	7,111,412	7,152,598	6,670,284	5,909,730	5,468,813	5,451,861
Net pension liability	<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	\$ 3,558,017	\$ 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	46.29%	47.27%	24.08%	31.64%	43.93%	49.68%	34.26%
Plan fiduciary net position as a % of total pension liability	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, 2021

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	*	\$ 234,094	\$ 250,084	\$ 242,636	\$ 229,089	\$ 207,959	\$ 260,702
Contribution in relation to the actuarially determined contribution **	*	\$ 214,622	\$ 270,304	\$ 222,416	\$ 246,419	\$ 191,704	\$ 281,663
Contribution deficiency (excess)	*	\$ 19,472	\$ (20,220)	\$ 20,220	\$ (17,330)	\$ 16,255	\$ (20,961)
Covered-employee payroll ***	*	\$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	*	6.19%	8.99%	6.99%	8.00%	6.56%	10.23%

Notes to the Schedule

* 2021 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, 2021

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, 2021. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended September 30, 2021.

Valuation date	January 1, 2021
Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	14 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	0%

STATE COMPLIANCE SECTION

CITY OF CAMILLA
ONE PERCENT SPECIAL PURPOSE SALES TAX
PROJECT COST SCHEDULES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Project	Original Estimated Cost	Expenditures		Estimated Percent Completed
		Prior Years	Current Period	
SPLOST - 2018 Issue				
Police vehicles and equipment	\$ 480,000	\$ 147,890	\$ 71,285	\$ 219,175
Fire vehicles and equipment	200,000	29,206	-	29,206
Public works vehicles and equipment	300,000	163,043	103,655	266,698
Recreation complex construction	1,000,000	76,630	768,181	844,811
General roads, streets and bridges	1,226,692	91,400	211,166	302,566
Totals	<u>\$ 3,206,692</u>	<u>\$ 508,169</u>	<u>\$ 1,154,287</u>	<u>\$ 1,662,456</u>
TSPLOST - 2020 Issue				
Paving, drainage, sidewalk construction/repair	\$ 3,494,503	\$ -	\$ -	\$ -
Totals	<u>\$ 3,494,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CAMILLA
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Agency	Contract Number	Total Funds Available (Note 1)	Revenue Earned	Expenditures Incurred	State Agency	
					Due From	Due To
Department of Community Affairs:						
Community Development Block Grant	19p-x-101-2-6116	\$ 750,000	\$ 61,462	\$ 61,462	\$ 8,179	\$ -
Department of Transportation						
Airport contract	T007528	333,333	34,742	34,742	34,742	-
Coronavirus Response and Relief	T007645	13,000	13,000	13,000	-	-
Total state awards		\$ 1,096,333	\$ 109,204	\$ 109,204	\$ 42,921	\$ -

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, 2021

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	\$ 32,658	\$ 8,682	\$ 41,340	None
	P-03J-02	655,000	8,179	809	8,988	None
	A-21A-00	45,000	20,625	-	20,625	None
		<u>\$ 750,000</u>	<u>\$ 61,462</u>	<u>\$ 9,491</u>	<u>\$ 70,953</u>	None

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RICHARD L. WATERS
CERTIFIED PUBLIC ACCOUNTANT

HARRELL D. RACKLEY
CERTIFIED PUBLIC ACCOUNTANT

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, 2021, 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 10, 2022.

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. However, material weaknesses may exist that have not been identified.

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 no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

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.



WATERS & RACKLEY CPAS, LLC
Camilla, Georgia

September 10, 2022

CITY OF CAMILLA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

None Reported.

CITY OF CAMILLA
STATUS OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

None Reported