

CITY OF WAYCROSS, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

CITY OF WAYCROSS, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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CITY OF WAYCROSS, GEORGIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Members
of the City Commission
Waycross, Georgia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Waycross, Georgia** (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the City's Net Pension Liability and Related Ratios, the Schedule of City Contributions – Retirement Plan (on pages 47 and 48) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying schedules of expenditures of special purpose local option sales tax proceeds and the schedule of transportation special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated (O.C.G.A.) §48-8-121, and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of transportation special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of transportation special purpose local option sales tax proceeds 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 March 29, 2021, 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 the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
March 29, 2021

CITY OF WAYCROSS, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 14,613,608	\$ 1,167,327	\$ 15,780,935
Taxes receivable	652,628	-	652,628
Accounts receivable, net of allowances	255,623	972,093	1,227,716
Due from other governments	756,195	-	756,195
Internal balances	(1,874,974)	1,874,974	-
Inventories	61,210	49,302	110,512
Prepaid expenses	4,996	-	4,996
Capital assets:			
Nondepreciable	7,436,756	384,840	7,821,596
Depreciable, net	16,034,477	31,639,340	47,673,817
Total assets	37,940,519	36,087,876	74,028,395
DEFERRED OUTFLOWS OF RESOURCES			
Pension	2,260,788	-	2,260,788
Total deferred outflows or resources	2,260,788	-	2,260,788
LIABILITIES			
Accounts payable	1,375,333	528,020	1,903,353
Accrued liabilities	14,868	12,906	27,774
Customer deposits payable	-	262,905	262,905
Capital leases due within one year	94,734	25,377	120,111
Capital leases due in more than one year	239,056	4,035	243,091
Notes payable due within one year	30,000	-	30,000
Notes payable due in more than one year	462,500	-	462,500
Loans payable due within one year	-	973,863	973,863
Loans payable due in more than one year	-	3,164,014	3,164,014
Compensated absences due within one year	155,790	9,721	165,511
Compensated absences due in more than one year	363,510	22,681	386,191
Net pension liability due in more than one year	7,178,700	-	7,178,700
Total liabilities	9,914,491	5,003,522	14,918,013
DEFERRED INFLOWS OF RESOURCES			
Pension	160,650	-	160,650
Total deferred inflows of resources	160,650	-	160,650
NET POSITION			
Net investment in capital assets	22,644,943	27,856,891	50,501,834
Restricted for:			
Capital projects	11,343,039	-	11,343,039
Community development projects	330,529	-	330,529
Other projects	35,127	-	35,127
Unrestricted	(4,227,472)	3,227,463	(1,000,009)
Total net position	\$ 30,126,166	\$ 31,084,354	\$ 61,210,520

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

CITY OF WAYCROSS, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,837,014	\$ 1,173,248	\$ -	\$ -	\$ (663,766)	\$ -	\$ (663,766)
Public safety	6,805,519	12,360	-	60,265	(6,732,894)	-	(6,732,894)
Public works	4,359,995	20,599	-	6,816,933	2,477,537	-	2,477,537
Community development	964,630	-	-	-	(964,630)	-	(964,630)
Interest on long-term debt	10,000	-	-	-	(10,000)	-	(10,000)
Total governmental activities	<u>13,977,158</u>	<u>1,206,207</u>	<u>-</u>	<u>6,877,198</u>	<u>(5,893,753)</u>	<u>-</u>	<u>(5,893,753)</u>
Business-type activities:							
Public utilities	6,671,669	6,732,351	-	45,592	-	106,274	106,274
Waste management	2,562,706	2,350,147	-	-	-	(212,559)	(212,559)
City auditorium	169,373	25,295	-	-	-	(144,078)	(144,078)
Total business-type activities	<u>9,403,748</u>	<u>9,107,793</u>	<u>-</u>	<u>45,592</u>	<u>-</u>	<u>(250,363)</u>	<u>(250,363)</u>
Total primary government	<u>\$ 23,380,906</u>	<u>\$ 10,314,000</u>	<u>\$ -</u>	<u>\$ 6,922,790</u>	<u>(5,893,753)</u>	<u>(250,363)</u>	<u>(6,144,116)</u>
General revenues							
Taxes:							
Property taxes					4,319,968	-	4,319,968
Sales taxes					3,244,835	-	3,244,835
Franchise taxes					1,131,145	-	1,131,145
Other taxes					2,098,842	-	2,098,842
Unrestricted investment earnings					24,927	28,169	53,096
Miscellaneous					462,133	-	462,133
Transfers:					(86,600)	86,600	-
Total general revenues and transfers					<u>11,195,250</u>	<u>114,769</u>	<u>11,310,019</u>
Change in net position					5,301,497	(135,594)	5,165,903
Net position, beginning of year					24,824,669	31,219,948	56,044,617
Net position, end of year					<u>\$ 30,126,166</u>	<u>\$ 31,084,354</u>	<u>\$ 61,210,520</u>

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

CITY OF WAYCROSS, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2020

		SPLOST 2014 Fund	TSPLOST Fund	Nonmajor Governmental Funds	Totals Governmental Funds
	General Fund				
ASSETS					
Cash and cash equivalents	\$ 645,103	\$ 4,426,032	\$ 6,470,186	\$ 917,640	\$ 12,458,961
Taxes receivable, net	652,628	-	-	-	652,628
Accounts receivable, net	161,470	-	-	-	161,470
Due from other governments	257,717	206,850	291,628	-	756,195
Due from other funds	1,052,945	-	-	-	1,052,945
Inventories	32,171	-	-	-	32,171
Prepaid expenditures	-	-	-	4,996	4,996
Other receivables	-	-	-	84,897	84,897
Total assets	<u>\$ 2,802,034</u>	<u>\$ 4,632,882</u>	<u>\$ 6,761,814</u>	<u>\$ 1,007,533</u>	<u>\$ 15,204,263</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 169,533	\$ 229,022	\$ 1,375	\$ 25,165	\$ 425,095
Total liabilities	<u>169,533</u>	<u>229,022</u>	<u>1,375</u>	<u>25,165</u>	<u>425,095</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	588,166	-	-	-	588,166
Total deferred inflows of resources	<u>588,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>588,166</u>
FUND BALANCES					
Nonspendable	32,171	-	-	4,996	37,167
Restricted	-	4,403,860	6,760,439	851,896	12,016,195
Committed	-	-	-	55,308	55,308
Assigned	-	-	-	71,000	71,000
Unassigned	2,012,164	-	-	(832)	2,011,332
Total fund balances	<u>2,044,335</u>	<u>4,403,860</u>	<u>6,760,439</u>	<u>982,368</u>	<u>14,191,002</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,802,034</u>	<u>\$ 4,632,882</u>	<u>\$ 6,761,814</u>	<u>\$ 1,007,533</u>	

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.	23,378,641
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	588,166
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	
These deferred outflows of resources consist of pension and other post-employment benefits related experience differences, assumption changes and contributions.	2,260,788
Internal service funds are used by management to charge the costs of certain functions to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(1,700,400)
Deferred inflows of resources are not available to pay for current expenditures and, therefore, are not reported in the funds.	
These deferred inflows of resources consist of pension and other post-employment benefits related differences between projected and actual earnings on plan investments.	(160,650)
Certain liabilities are not due and payable in the current period and are, therefore, not reported in the funds.	

Net pension liability	\$ (7,178,700)	
Capital leases payable	(240,830)	
Notes payable	(492,500)	
Compensated absences	(519,300)	
Accrued interest	(51)	
	<u>(8,431,381)</u>	

Net position of governmental activities	<u>\$ 30,126,166</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF WAYCROSS, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	SPLOST 2014 Fund	TSPLOST Fund	Nonmajor Governmental Funds	Totals Governmental Funds
REVENUES					
Taxes	\$ 10,079,691	\$ -	\$ -	\$ 401,501	\$ 10,481,192
Fines and forfeitures	250,998	-	-	-	250,998
Licenses and permits	901,332	-	-	-	901,332
Intergovernmental	-	2,603,061	3,537,760	677,435	6,818,256
Charges for services	34,185	-	-	19,692	53,877
Interest revenue	11,806	49,396	9,546	13,121	83,869
Other revenues	251,065	-	-	211,068	462,133
Total revenues	11,529,077	2,652,457	3,547,306	1,322,817	19,051,657
EXPENDITURES					
Current:					
General government	1,879,201	-	-	106,574	1,985,775
Public safety	5,832,494	-	-	31,611	5,864,105
Public works	2,463,800	-	-	372,021	2,835,821
Community development	760,646	-	-	176,326	936,972
Debt service:					
Principal	133,199	-	-	-	133,199
Interest	10,000	-	-	-	10,000
Capital outlay	-	2,778,488	1,057,678	992,769	4,828,935
Total expenditures	11,079,340	2,778,488	1,057,678	1,679,301	16,594,807
Excess (deficiency) of revenues over (under) expenditures	449,737	(126,031)	2,489,628	(356,484)	2,456,850
OTHER FINANCING SOURCES (USES)					
Transfers in	261,475	-	-	36,077	297,552
Transfers out	(122,677)	-	-	(261,475)	(384,152)
Total other financing sources (uses)	138,798	-	-	(225,398)	(86,600)
Net change in fund balances	588,535	(126,031)	2,489,628	(581,882)	2,370,250
Fund balances, beginning of year	1,455,800	4,529,891	4,270,811	1,564,250	11,820,752
Fund balances, end of year	\$ 2,044,335	\$ 4,403,860	\$ 6,760,439	\$ 982,368	\$ 14,191,002

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

CITY OF WAYCROSS, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Net change in fund balances - total governmental funds. \$ 2,370,250

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 3,492,005	
Depreciation expense	<u>(1,301,516)</u>	2,190,489

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 313,598

Internal service funds are used by management to charge the costs of certain functions to individual funds. The net revenue of certain activities in the internal service funds is reported with governmental activities. 598,182

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payments of long-term debt 133,199

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 expense	\$ (205,738)	
Compensated absences	<u>(98,483)</u>	<u>(304,221)</u>

\$ 5,301,497

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

CITY OF WAYCROSS, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 10,239,889	\$ 10,239,889	\$ 10,079,691	\$ (160,198)
Fees and fines	317,000	317,000	250,998	(66,002)
Licenses and permits	885,400	885,400	901,332	15,932
Charges for services	30,000	30,000	34,185	4,185
Investment earnings	9,500	9,500	11,806	2,306
Other revenues	286,000	286,000	251,065	(34,935)
Total revenues	11,767,789	11,767,789	11,529,077	(238,712)
EXPENDITURES				
Current:				
General government	2,105,331	2,105,331	1,879,201	226,130
Public safety	6,309,284	6,309,284	5,832,494	476,790
Public works	2,722,588	2,722,588	2,463,800	258,788
Community development	840,586	840,586	760,646	79,940
Debt service:				
Principal	30,000	30,000	133,199	(103,199)
Interest and other charges	-	-	10,000	(10,000)
Total expenditures	12,007,789	12,007,789	11,079,340	928,449
Excess (deficiency) of revenues over (under) expenditures	(240,000)	(240,000)	449,737	689,737
OTHER FINANCING SOURCES (USES)				
Transfers in	240,000	240,000	261,475	21,475
Transfers out	-	-	(122,677)	(122,677)
Total other financing sources, net	240,000	240,000	138,798	(101,202)
Net change in fund balances	-	-	588,535	588,535
Fund balances, beginning of year	1,455,800	1,455,800	1,455,800	-
Fund balances, end of year	\$ 1,455,800	\$ 1,455,800	\$ 2,044,335	\$ 588,535

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

CITY OF WAYCROSS, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2020

	Public Utilities Fund	Waste Management Fund	Nonmajor City Auditorium Fund
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,148,733	\$ 401	\$ 18,024
Accounts receivable, net of allowances	707,545	264,548	-
Due from other funds	1,874,974	-	-
Inventories	49,302	-	-
Total current assets	3,780,554	264,949	18,024
NON-CURRENT ASSETS			
Restricted assets, cash	169	-	-
Capital assets:			
Nondepreciable	374,488	10,352	-
Depreciable, net of accumulated depreciation	30,463,529	34,142	1,141,669
Total non-current assets	30,838,186	44,494	1,141,669
Total assets	34,618,740	309,443	1,159,693
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	412,286	111,793	3,941
Accrued liabilities	12,906	-	-
Due to other funds	-	-	-
Compensated absences	-	9,721	-
Customer deposits payable	230,322	16,177	16,406
Current portion - capital leases	5,864	19,513	-
Current portion - loans payable	973,863	-	-
Total current liabilities	1,635,241	157,204	20,347
NON-CURRENT LIABILITIES			
Compensated absences	-	22,681	-
Capital leases payable, net of current portion	4,035	-	-
Loans payable, net of current portion	3,164,014	-	-
Total non-current liabilities	3,168,049	22,681	-
Total liabilities	4,803,290	179,885	20,347
NET POSITION			
Net investment in capital assets	26,690,241	24,981	1,141,669
Unrestricted	3,125,209	104,577	(2,323)
Total net position	\$ 29,815,450	\$ 129,558	\$ 1,139,346

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

<u>Totals</u>	<u>Internal Service Funds</u>
\$ 1,167,158	\$ 2,154,647
972,093	9,256
1,874,974	-
49,302	29,039
<u>4,063,527</u>	<u>2,192,942</u>
169	-
384,840	-
<u>31,639,340</u>	<u>92,592</u>
<u>32,024,349</u>	<u>92,592</u>
<u>36,087,876</u>	<u>2,285,534</u>
528,020	950,238
12,906	14,817
-	2,927,919
9,721	-
262,905	-
25,377	19,344
973,863	-
<u>1,812,792</u>	<u>3,912,318</u>
22,681	-
4,035	73,616
3,164,014	-
<u>3,190,730</u>	<u>73,616</u>
<u>5,003,522</u>	<u>3,985,934</u>
27,856,891	-
3,227,463	(1,700,400)
<u>\$ 31,084,354</u>	<u>\$ (1,700,400)</u>

CITY OF WAYCROSS, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Public Utilities Fund	Waste Management Fund	Nonmajor City Auditorium Fund
OPERATING REVENUES			
Charges for services	\$ 6,732,351	\$ 2,350,147	\$ 25,295
Other services	-	-	-
Total operating revenues	<u>6,732,351</u>	<u>2,350,147</u>	<u>25,295</u>
OPERATING EXPENSES			
Personal services	1,945,280	742,335	6,355
Contractual services	2,645,348	1,446,565	6,373
Utilities	-	-	17,685
Repairs and maintenance	230,623	233,568	1,124
Other supplies and expenses	558,289	738	-
Insurance claims and expenses	-	12,057	754
Retirement payments	-	-	-
Depreciation	1,176,908	35,149	137,082
Total operating expenses	<u>6,556,448</u>	<u>2,470,412</u>	<u>169,373</u>
Operating income (loss)	<u>175,903</u>	<u>(120,265)</u>	<u>(144,078)</u>
NON-OPERATING INCOME (EXPENSES)			
Loss on capital asset disposal	-	(91,308)	-
Miscellaneous revenue	-	-	-
Interest income	28,169	-	-
Interest expense	(115,221)	(986)	-
Total non-operating income (expenses)	<u>(87,052)</u>	<u>(92,294)</u>	<u>-</u>
Income (loss) before capital contributions and transfers	<u>88,851</u>	<u>(212,559)</u>	<u>(144,078)</u>
CAPITAL CONTRIBUTIONS	<u>45,592</u>	<u>-</u>	<u>-</u>
TRANSFERS			
Transfers in	-	86,600	-
Total transfers	<u>-</u>	<u>86,600</u>	<u>-</u>
Change in net position	134,443	(125,959)	(144,078)
Net position, beginning of year	<u>29,681,007</u>	<u>255,517</u>	<u>1,283,424</u>
Net position, end of year	<u>\$ 29,815,450</u>	<u>\$ 129,558</u>	<u>\$ 1,139,346</u>

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

<u>Totals</u>	<u>Internal Service Funds</u>
\$ 9,107,793	\$ 787,870
-	4,005,469
9,107,793	4,793,339
2,693,970	312,775
4,098,286	24,682
17,685	-
465,315	19,281
559,027	-
12,811	3,586,736
-	1,201,300
1,349,139	4,873
9,196,233	5,149,647
(88,440)	(356,308)
(91,308)	-
-	954,474
28,169	799
(116,207)	(783)
(179,346)	954,490
(267,786)	598,182
45,592	-
86,600	-
86,600	-
(135,594)	598,182
31,219,948	(2,298,582)
\$ 31,084,354	\$ (1,700,400)

CITY OF WAYCROSS, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Public Utilities Fund	Waste Management Fund	Nonmajor City Auditorium Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 6,776,071	\$ 2,368,711	\$ 25,295
Receipts from other funds for services	-	-	-
Payments to suppliers	(3,311,108)	(1,819,295)	(27,584)
Payments to employees	(1,945,280)	(742,335)	(6,631)
Net cash provided by (used in) operating activities	1,519,683	(192,919)	(8,920)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	-	86,600	-
Miscellaneous non-operating revenue	-	-	-
Net cash provided by non-capital financing activities	-	86,600	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from the issuance of loans and capital leases	275,555	-	-
Capital contributions	45,592	-	-
Acquisition and construction of capital assets	(524,897)	-	-
Principal paid on capital leases payable	(17,158)	(25,353)	-
Principal paid on loans payable	(949,295)	-	-
Interest paid	(120,562)	(986)	-
Net cash used in capital and related financing activities	(1,290,765)	(26,339)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest revenue	28,169	-	-
Net cash provided by investing activities	28,169	-	-
Increase (decrease) in cash and cash equivalents	257,087	(132,658)	(8,920)
Cash and cash equivalents:			
Beginning of year	891,815	133,059	26,944
End of year	\$ 1,148,902	\$ 401	\$ 18,024
Classified as:			
Cash and cash equivalents	\$ 1,148,733	\$ 401	\$ 18,024
Restricted assets, cash	169	-	-
	\$ 1,148,902	\$ 401	\$ 18,024

(Continued)

<u>Totals</u>	<u>Internal Service Funds</u>
\$ 9,170,077	\$ 2,621,460
-	2,476,564
(5,157,987)	(4,929,334)
(2,694,246)	(318,819)
<u>1,317,844</u>	<u>(150,129)</u>
86,600	-
-	954,474
<u>86,600</u>	<u>954,474</u>
275,555	97,465
45,592	-
(524,897)	(97,465)
(42,511)	(4,505)
(949,295)	-
(121,548)	(783)
<u>(1,317,104)</u>	<u>(5,288)</u>
28,169	799
<u>28,169</u>	<u>799</u>
115,509	799,856
<u>1,051,818</u>	<u>1,354,791</u>
<u>\$ 1,167,327</u>	<u>\$ 2,154,647</u>
\$ 1,167,158	\$ 2,154,647
169	-
<u>\$ 1,167,327</u>	<u>\$ 2,154,647</u>

CITY OF WAYCROSS, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Public Utilities Fund</u>	<u>Waste Management Fund</u>	<u>Nonmajor City Auditorium Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 175,903	\$ (120,265)	\$ (144,078)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,176,908	35,149	137,082
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	248,085	6,771	-
Increase in due from other funds	(206,013)	-	-
Increase (decrease) in accounts payable	123,152	(123,437)	1,372
Decrease in accrued liabilities	-	(5,830)	(276)
Increase in compensated absences	-	11,793	-
Increase (decrease) in customer deposits	1,648	2,900	(3,020)
Increase in due to other funds	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 1,519,683</u>	<u>\$ (192,919)</u>	<u>\$ (8,920)</u>

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

<u>Totals</u>	<u>Internal Service Funds</u>
\$ (88,440)	\$ (356,308)
1,349,139	4,873
254,856	(119)
(206,013)	-
1,087	(97,335)
(6,106)	(6,044)
11,793	-
1,528	-
-	304,804
<u>\$ 1,317,844</u>	<u>\$ (150,129)</u>

CITY OF WAYCROSS, GEORGIA

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2020**

	<u>Total Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 181,125
Total assets	<u>181,125</u>
LIABILITIES	
Refundable court bonds	139,739
Seized funds held	41,386
Total liabilities	<u>\$ 181,125</u>

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF WAYCROSS, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Waycross, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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. The more significant of the City's accounting policies are described below.

A. The Financial Reporting Entity

The City of Waycross, Georgia was incorporated in 1874 and operates under the leadership of the Mayor, City Manager and City Commission consisting of four members and provides or assists in providing the following services: public safety (police department), highways and streets, public improvements, recreation, and general administrative and other services. In addition, the City operates enterprise funds (water and sewer, waste management, and City Auditorium) for incorporated and immediate surrounding areas.

Standards published by the GASB define the financial reporting entity as: a) the primary government, b) organizations for which the primary government is financially responsible, and c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 61. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and: 1) it is able to impose its will on that organization, or 2) there is a potential for the organization to provide specific financial benefits to, or impose its will on that organization, or 3) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The financial statements of the City do not include any component units.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. *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 the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, internal service funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund, internal service fund, and the fiduciary fund financial statements, although the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Property taxes, sales taxes, franchise taxes, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The **2014 SPLOST Fund** accounts for capital projects of the City from resources provided by the 2014 special Ware County 1% sales and use tax.

The **TSPLOST Fund** accounts for the collection of the transportation special purpose local option sales tax funds collected by Ware County and disbursed to the City. These funds are used for transportation projects as approved by voter referendum.

The City reports the following major proprietary funds:

The **Public Utilities Fund** accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The **Waste Management Fund** accounts for the operations of solid waste collection and disposal services. All costs are financed through charges to sanitation customers.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditure for specific purposes.

Capital Projects Funds are used to account for the acquisition of capital assets and construction or improvement of major capital projects such as construction of new roads.

Internal Service Funds are used to account for the fleet management services, payroll services, retirement, self-funded property and casualty insurance, self-funded workers compensation insurance, and self-funded health insurance provided to departments of the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Agency Funds are used to account for the collection and disbursement of monies by the City's Municipal Court and Police Condemnation fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's internal service functions and the other City functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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. The principal operating revenues of the proprietary funds are charges to customers for sales and services provided. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Budgets and Budgetary Accounting

An annual budget is adopted (as required by law) by the City for the general and special revenue funds. The budgets are adopted on a basis substantially consistent with generally accepted accounting principles.

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

1. Prior to June 30, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

2. Public hearings are conducted at City Hall to obtain taxpayer comments.
3. The City Commission approves, by ordinance, total budget appropriation and departmental budgets. The City Manager is authorized to transfer budget amounts between line items within any department in conjunction with the department head; however, any revisions that alter the total appropriations of any department or fund must be approved by the City Commission. Therefore, the level of budgetary responsibility is by department-level appropriations; however, for reporting purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).
4. Unused appropriations for all of the above annually budgeted funds lapse at the end of the fiscal year.
5. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The budget for the General Fund is prepared on the cash and expenses/encumbrances basis. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that applicable purchase orders are expected to be issued. The budget for the Enterprise Fund is adopted under a basis consistent with GAAP, except for that depreciation, certain capital expenses, and certain non-operating income and expense items are not considered. Annual appropriated budgets are adopted for the special revenue funds. Annual appropriated budgets are also adopted for the following internal service funds; Health Insurance, Liability Insurance, Workers Compensation Insurance, Retirement Fund, and City Garage Fund.

Budgeted amounts are as originally adopted or as amended by the City Commission. Individual amendments were not material in relation to the original appropriations, which were adopted.

The Official Code of Georgia Annotated (O.C.G.A.) § 36-81-3(b) requires an annual balanced budget for the general fund, each special revenue fund and requires a project-length balanced budget for each capital project fund. For the year ended June 30, 2020, the City did not adopt annual budgets for the Forfeited Property Fund, Jail Fund, Okefenokee Classic Fund, and ATM Machine Fund.

The legal level of budgetary control for the City is at the department level.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

F. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loans which have deposits insured by the FDIC or FSLIC; prime bankers' acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). Georgia Fund 1 was created under O.C.G.A. §36-83-8 and is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The Georgia Fund 1 is not registered with the SEC as an investment company. The Georgia Fund 1's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The Georgia Fund 1 distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The Georgia Fund 1 also adjusts the value of its investments to fair market value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as investments for financial statement presentation.

G. Inventory and Prepaid Items

Inventory is valued at the lower of cost or market using the weighted average method. The City accounts for inventory on the purchase basis. Prepaid expenses are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure is made for goods or services that were purchased for consumption, but not consumed as of June 30.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” in the fund financial statements. Short-term interfund loans are classified as “interfund receivables/payables”. Long-term interfund loans are classified as “advances”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

I. 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. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

Depreciation is provided on the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25 – 50
Machinery and equipment	5 – 10
Vehicles	5 – 10
Infrastructure	20 – 35

J. Long-term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as deferred charges, are deferred and amortized over the life of the bonds using the straight line method, which is not materially different than the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to service already rendered and it is probable the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. The noncurrent portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

L. 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 assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Commission through the adoption of a resolution. Only the City Commission may modify or rescind the commitment.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Commission has authorized the City Manager or City Finance Director to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

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 are available.

M. Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Deferred Outflows/Inflows of Resources

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/expenditure) until then. The City has three items that qualify for reporting in this category. All of these items relate to the City's Retirement Plan and are reported in the government-wide Statement of Net Position. Experience differences result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience differences are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. Changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Additionally, any contributions made by the City to the pension plan, before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category, one of which arises only under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other item relates to the City's Retirement Plan and is reported in the government-wide Statement of Net Position. The net difference between projected and actual earnings on pension plan investments is deferred and amortized against pension expense over a five year period, resulting in recognition as deferred inflows of resources.

O. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Waycross Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEFICIT FUND BALANCE AND NET POSITION

The following funds had deficit fund balance/net positions at June 30, 2020:

	Fund Deficit
Special Revenue Funds:	
ATM Machine Fund	\$ 832
Internal Service Funds:	
Health Insurance Fund	\$ 2,843,083
Workers Compensation Fund	101,281
Warehouse Fund	22,617

The fund balance and net position deficits will be reduced through General Fund and Public Utility Fund transfers.

NOTE 3. DEPOSITS AND INVESTMENTS

As of June 30, 2020, the carrying amount of the City's bank deposits was \$15,962,060 and the respective bank balances totaled \$15,436,798. The bank balances were collateralized with pooled securities held by the pledging financial institutions trust department or agent in the government's name.

As of June 30, 2020, the City's carrying amount of deposits, related bank balances, and other cash were as follows:

Amounts as presented on the entity-wide statement of net position:	
Cash and cash equivalents	\$ 15,780,935
Amounts as presented on the fiduciary statement of net position:	
Cash and cash equivalents - Agency Fund	181,125
Total	\$ 15,962,060
Cash deposited with financial institutions	\$ 15,962,060

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The City has a policy to reduce its exposure to this risk by requiring deposits to be collateralized in accordance with State law. As of June 30, 2020, the City's bank balance was not exposed to custodial credit risk.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Accounts Receivable

Receivables as of June 30, 2020, including the applicable allowances for uncollectible accounts for governmental funds, are as follows:

	General	2014 SPLOST	TSPLOST	Nonmajor Governmental	Total
Receivables:					
Taxes	\$ 752,078	\$ -	-	\$ -	\$ 752,078
Accounts	161,470	-	-	-	161,470
Intergovernmental	257,717	206,850	291,628	-	756,195
Other	-	-	-	84,897	84,897
Gross receivables	<u>1,171,265</u>	<u>206,850</u>	<u>291,628</u>	<u>84,897</u>	<u>1,754,640</u>
Less: allowance for uncollectibles	(99,450)	-	-	-	(99,450)
Net total receivables	<u>\$ 1,071,815</u>	<u>\$ 206,850</u>	<u>291,628</u>	<u>\$ 84,897</u>	<u>\$ 1,655,190</u>

Receivables as of June 30, 2020, including the applicable allowances for uncollectible accounts for business-type funds, are as follows:

	Public Utilities	Waste Management	Internal Service	Total
Receivables:				
Accounts	\$ 927,492	\$ 311,121	\$ 9,256	\$ 1,247,869
Gross receivables	927,492	311,121	9,256	1,247,869
Less: allowance for uncollectibles	(219,947)	(46,573)	-	(266,520)
Net total receivables	<u>\$ 707,545</u>	<u>\$ 264,548</u>	<u>\$ 9,256</u>	<u>\$ 981,349</u>

Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before December 1. The City's taxes are billed and collected by the Ware County Tax Commissioner. City property tax revenues are recognized when levied. An allowance is established for delinquent taxes to the extent that the taxes are not collectible.

Hotel/Motel Lodging Taxes

The City is required to disburse funds received from the collection of hotel/motel taxes pursuant to O.C.G.A. §48-13- 51(a)(3.7). The tax rate is 5% and is levied on a monthly basis. The City received \$401,501 from the collection of the hotel/motel tax during the fiscal year ended June 30, 2020. The City disbursed \$124,077 for the promotion of tourism. Lodging tax funds in the amount of \$261,475 were transferred to the General Fund during the fiscal year ended June 30, 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 5,099,609	\$ -	\$ -	\$ -	\$ 5,099,609
Construction in progress	639,022	2,897,850	-	(1,199,725)	2,337,147
Total capital assets, not being depreciated	<u>5,738,631</u>	<u>2,897,850</u>	<u>-</u>	<u>(1,199,725)</u>	<u>7,436,756</u>
Capital assets, being depreciated:					
Buildings	10,670,468	-	-	-	10,670,468
Machinery and equipment	4,149,004	497,574	-	-	4,646,578
Vehicles	5,954,967	194,046	(216,759)	-	5,932,254
Infrastructure	38,039,013	-	-	1,199,725	39,238,738
Total capital assets, being depreciated	<u>58,813,452</u>	<u>691,620</u>	<u>(216,759)</u>	<u>1,199,725</u>	<u>60,488,038</u>
Less accumulated depreciation for:					
Buildings	(4,922,377)	(205,036)	-	-	(5,127,413)
Machinery and equipment	(3,281,123)	(256,911)	-	-	(3,538,034)
Vehicles	(5,132,467)	(272,795)	216,759	-	(5,188,503)
Infrastructure	(30,027,964)	(571,647)	-	-	(30,599,611)
Total accumulated depreciation	<u>(43,363,931)</u>	<u>(1,306,389)</u>	<u>216,759</u>	<u>-</u>	<u>(44,453,561)</u>
Total capital assets, being depreciated, net	<u>15,449,521</u>	<u>(614,769)</u>	<u>-</u>	<u>1,199,725</u>	<u>16,034,477</u>
Governmental activities capital assets, net	<u>\$ 21,188,152</u>	<u>\$ 2,283,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,471,233</u>

Internal service funds predominantly serve the governmental funds. Accordingly, the internal service funds capital assets are included as part of the above totals for governmental activities. At year-end, internal service fund capital assets with a net book value of \$92,592 are included in the above amounts.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities					
Capital assets, not being depreciated:					
Land and improvements	\$ 235,859	\$ -	\$ -	\$ -	\$ 235,859
Construction in progress	2,173,709	319,147	-	(2,343,875)	148,981
Total capital assets, not being depreciated	<u>2,409,568</u>	<u>319,147</u>	<u>-</u>	<u>(2,343,875)</u>	<u>384,840</u>
Capital assets, being depreciated:					
Buildings	12,194,323	-	-	-	12,194,323
Machinery and equipment	4,880,382	205,750	(139,961)	-	4,946,171
Vehicles	863,874	-	-	-	863,874
Infrastructure	53,802,450	-	-	2,343,875	56,146,325
Total capital assets, being depreciated	<u>71,741,029</u>	<u>205,750</u>	<u>(139,961)</u>	<u>2,343,875</u>	<u>74,150,693</u>
Less accumulated depreciation for:					
Buildings	(8,105,058)	(282,497)	-	-	(8,387,555)
Machinery and equipment	(4,485,013)	(63,769)	48,653	-	(4,500,129)
Vehicles	(809,246)	(20,486)	-	-	(829,732)
Infrastructure	(27,811,550)	(982,387)	-	-	(28,793,937)
Total accumulated depreciation	<u>(41,210,867)</u>	<u>(1,349,139)</u>	<u>48,653</u>	<u>-</u>	<u>(42,511,353)</u>
Total capital assets, being depreciated, net	<u>30,530,162</u>	<u>(1,143,389)</u>	<u>(91,308)</u>	<u>2,343,875</u>	<u>31,639,340</u>
Business-type activities capital assets, net	<u>\$ 32,939,730</u>	<u>\$ (824,242)</u>	<u>\$ (91,308)</u>	<u>\$ -</u>	<u>\$ 32,024,180</u>

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

Governmental activities:	
General government	\$ 113,112
Public safety	434,399
Public works	741,673
Community development	17,205
Total depreciation expense - governmental activities	<u>\$ 1,306,389</u>
Business-type activities:	
Public utilities	\$ 1,176,908
Waste management	35,149
City auditorium	137,082
Total depreciation expense - business-type activities	<u>\$ 1,349,139</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2020, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Capital leases	\$ 344,029	\$ 97,465	\$ (107,704)	\$ 333,790	\$ 94,734
Notes payable	522,500	-	(30,000)	492,500	30,000
Net pension liability	5,013,749	4,102,270	(1,937,319)	7,178,700	-
Compensated absences	420,817	346,475	(247,992)	519,300	155,790
Governmental activity Long-term liabilities	<u>\$ 6,301,095</u>	<u>\$ 4,546,210</u>	<u>\$ (2,323,015)</u>	<u>\$ 8,524,290</u>	<u>\$ 280,524</u>
<u>Business-type activities:</u>					
Capital leases	\$ 71,923	\$ -	\$ (42,511)	\$ 29,412	\$ 25,377
Loans payable	4,811,617	275,555	(949,295)	4,137,877	973,863
Compensated absences	20,609	22,389	(10,596)	32,402	9,721
Business-type activity Long-term liabilities	<u>\$ 4,904,149</u>	<u>\$ 297,944</u>	<u>\$ (1,002,402)</u>	<u>\$ 4,199,691</u>	<u>\$ 1,008,961</u>

Liabilities for compensated absences are liquidated using resources from the fund in which the employee terminating service previously charged their salary and benefits to, which is the General Fund, Cemetery Fund, and Waste Management Fund. The net pension liability is liquidated by the General Fund.

Notes and Loans Payable

Business-type Activities Loans:

In October 1998, the City entered into a loan agreement (98-L68WJ) with the Georgia Environmental Facilities Authority for certain water and sewer projects for a total amount of \$2,000,000. Repayment is over 80 quarterly payments beginning September 1, 2001 at 4.1%. At June 30, 2020, the outstanding balance on this loan was \$76,831 and quarterly payments are \$38,616.

In August 2000, the City entered into a loan program (CWSRF 00-001) with the Georgia Department of Natural Resources and the Georgia Environmental Facilities Authority for certain sewer improvements for a total amount of \$935,467. Repayment is over 78 quarterly payments at 3% beginning September 1, 2002. At June 30, 2020, the outstanding balance of this loan was \$96,038 and quarterly payments are \$16,124. This loan is to be repaid from revenues of the Water and Sewer System; however, the obligation to repay this loan is a general obligation of the City to which it has dedicated its general power of taxation.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Notes and Loans Payable (Continued)

Business-type Activities Loans (Continued):

In September 2000, the City entered into a loan agreement (2000-L36WJ) with the Georgia Environmental Facilities Authority for sewer improvements for a total amount of \$9,815,000. Repayment is over 80 quarterly payments beginning October 1, 2002 at 2%. At June 30, 2020, the outstanding balance was \$1,221,783 and quarterly payments of \$154,018. This loan is to be repaid from revenues of the Water and Sewer System; however, the obligation to repay this loan is a general obligation of the City.

In June 2003, the City entered into a loan agreement (CWSRF-00-020) with the Georgia Environmental Facilities Authority for certain water and sewer projects. At June 30, 2020, the outstanding balance was \$837,388. Repayment is over 80 quarterly payments of \$34,376 at 3%. This loan is to be repaid from revenues of the Water and Sewer System; however, the obligation to repay this loan is a general obligation of the City.

In November 2009, the City entered into a loan agreement (CW09071PF60) with the Georgia Environmental Facilities Authority for the construction of a litter trap. The total amount received was \$120,785 as part of the American Recovery and Reinvestment Act ("ARRA"). The ARRA funds will help finance water system improvements through a low-interest loan in the amount of \$47,393 and a subsidy of \$80,400. At June 30, 2020, the outstanding loan balance was \$2,687. Repayment is over 120 monthly payments of \$451 at 3%.

In October 2016, the City entered into a loan agreement (DW2016005) with the Georgia Environmental Facilities Authority for replacement of existing water meters with an advanced metering infrastructure system ("AMI") and software upgrades. At June 30, 2020, the outstanding balance was \$1,903,151. Repayment is over 180 monthly payments of \$11,340 at .65%.

Debt service requirements to maturities on these loans, including interest, are as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,034,882	\$ 973,863	\$ 61,019
2022	954,151	912,450	41,701
2023	291,449	264,132	27,317
2024	273,584	250,836	22,748
2025	273,584	255,432	18,152
2026 – 2030	893,348	855,181	38,167
2031 – 2035	635,685	625,983	9,702
	<u>\$ 4,356,683</u>	<u>\$ 4,137,877</u>	<u>\$ 218,806</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Notes and Loans Payable (Continued)

Governmental Activities Note:

In March 2010, the City entered into an agreement with BC Waycross Associates, LLP to finance construction of storm water infrastructure and a regional storm water retention pond on the owner's property to accept off-site storm water runoff and render owner's property suitable for development. The total amount financed of \$800,000 is due in 320 monthly payments of \$2,500 beginning March 15, 2010 at 0% interest. At June 30, 2020, the outstanding balance on this loan was \$492,500.

Debt service requirements to maturities on this loan are as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 30,000	\$ 30,000	\$ -
2022	30,000	30,000	-
2023	30,000	30,000	-
2024	30,000	30,000	-
2025	30,000	30,000	-
2026 – 2030	150,000	150,000	-
2031 – 2035	150,000	150,000	-
2036 and 2037	42,500	42,500	-
	<u>\$ 492,500</u>	<u>\$ 492,500</u>	<u>\$ -</u>

Capital Leases

The City has entered into various lease agreements as lessee to finance various machinery and equipment. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is a summary of equipment leased under capital lease agreements by the City as of June 30, 2020.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Equipment	\$ 737,933	\$ 203,614	\$ 941,547
Less accumulated depreciation	(405,528)	(147,984)	(553,512)
Carrying value	<u>\$ 332,405</u>	<u>\$ 55,630</u>	<u>\$ 388,035</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Capital Leases (Continued)

The following is a schedule of the future minimum lease payments required under these capital leases and the present value of the net minimum lease payments at June 30, 2020:

Fiscal year ending	Governmental Activities	Business-type Activities	Total
2021	\$ 104,990	\$ 29,700	\$ 134,690
2022	102,501	-	102,501
2023	86,133	-	86,133
2024	47,549	-	47,549
2025	22,437	-	22,437
Total minimum lease payments	363,610	29,700	393,310
Less amount representing interest	(29,820)	(288)	(30,108)
Present value of future minimum lease payments	333,790	29,412	363,202
Less current maturities	(94,734)	(25,377)	(120,111)
	<u>\$ 239,056</u>	<u>\$ 4,035</u>	<u>\$ 243,091</u>

NOTE 7. PENSION PLAN

A. Plan Description

The City, as authorized by the City Commission, has established a non-contributory defined benefit pension plan, the City of Waycross Retirement Plan (the "Plan"), covering substantially all of the City's employees. The City's pension plan is administered through the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive between 1% and 1.75% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The City Commission, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN (CONTINUED)

A. Plan Description (Continued)

Plan membership. As of January 1, 2020, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	183
Inactive plan members entitled to, but not receiving benefits	72
Active plan members	175
Total	<u>430</u>

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Commission. City contributions to the Plan were \$900,975 for the year ended June 30, 2020.

B. Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2019.

Actuarial assumptions. The total pension liability in the January 1, 2020, actuarial valuation was determined 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 RP-2000 Combined Healthy Mortality Table with gender-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019, are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.41%
International equity	20	6.96
Domestic fixed income	20	1.96
Real estate	10	4.76
Global fixed income	5	3.06
Cash	-	
Total	100 %	

* Rates shown are net of the 2.25% assumed rate of inflation.

Discount rate. The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City 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 of the projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended June 30, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	\$ 28,503,815	\$ 23,490,066	\$ 5,013,749
Changes for the year:			
Service cost	198,141	-	198,141
Interest	2,080,959	-	2,080,959
Differences between expected and actual experience	323,138	-	323,138
Contributions – employer	-	1,252,633	(1,252,633)
Net investment income	-	684,686	(684,686)
Benefit payments, including refunds of employee contributions	(1,911,684)	(1,911,684)	-
Administrative expense	-	(43,141)	43,141
Other changes	1,456,891	-	1,456,891
Net changes	<u>2,147,445</u>	<u>(17,506)</u>	<u>2,164,951</u>
Ending Balance	<u>\$ 30,651,260</u>	<u>\$ 23,472,560</u>	<u>\$ 7,178,700</u>

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

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

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	\$ 10,579,473	\$ 7,178,700	\$ 4,317,830

NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2019, and the current sharing pattern of costs between employer and employee.

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

For the year ended June 30, 2020, the City recognized pension expense of \$1,412,171. At June 30, 2020, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 160,650
Differences between expected and actual experience	267,144	-
Changes in actuarial assumptions	1,092,669	-
City contributions subsequent to the measurement date	900,975	-
Total	\$ 2,260,788	\$ 160,650

City contributions subsequent to the measurement date of \$900,975 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2021	\$ 171,622
2022	268,199
2023	549,195
2024	210,147
Total	\$ 1,199,163

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND BALANCES AND TRANSFERS

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 2020, balances of interfund amounts receivable or payable have been recorded.

Interfund receivable and payable balances as of June 30, 2020, are as follows:

Due From	Due To		
	General	Public Utilities	Total
Health Insurance Fund	\$ 1,028,683	\$ 1,831,771	\$ 2,860,454
Warehouse Fund	24,262	43,203	67,465
Total	\$ 1,052,945	\$ 1,874,974	\$ 2,927,919

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources to provide services. Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financial sources (uses) in the Governmental Funds and transfers section in the Proprietary Funds.

Interfund transfers for the year ended June 30, 2020, consisted of the following:

Transfer From	Transfer To			Total
	General	Nonmajor Governmental	Waste Management	
General Fund	\$ -	\$ 36,077	\$ 86,600	\$ 122,677
Nonmajor Governmental	261,475	-	-	261,475
Total	\$ 261,475	\$ 36,077	\$ 86,600	\$ 384,152

NOTE 9. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan in accordance with IRS Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The City funds are amounts of compensation deferred under the plan, at the direction of the covered employee, through investments in fixed and variable annuity contracts underwritten by Nationwide Life Insurance Company.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFERRED COMPENSATION PLAN (CONTINUED)

In accordance with current GASB pronouncements, the deferred compensation plan is no longer included in the financial statements. Plan assets are held in trust for the benefit of the plan participants and their beneficiaries and will not be diverted for any other purpose. Amendments to the laws governing Section 457, deferred compensation plans, substantially became effective January 1, 1997.

NOTE 10. COMMITMENTS AND CONTINGENCIES

The City has participated in a number of federally assisted grant programs, principal of which are the FEMA Grant, EIP Revolving Loan, and CDBG Grants. These programs are subject to program compliance audits by the grantors or their representatives. Such audits could result in request for reimbursement by the Federal and State agencies for expenditures disallowed under the terms and conditions of the appropriate agency. The amount of expenditures which may be disallowed by granting agencies cannot be determined at this time; although, the City expects such amounts, if any, to be immaterial.

Various claims and lawsuits are pending against the City. The City estimates that the potential claims from the pending lawsuits against the City, not covered by insurance, would not materially affect the financial statements of the City.

NOTE 11. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the eighteen county South Georgia area, is a member of the Southern Georgia Regional Development Commission ("SGRC") and is required to pay annual dues thereto. During the year ended June 30, 2020, the City paid \$17,611 in such dues. Membership in the SGRC is required by the O.C.G.A. §50- 8-34 which provides for the organizational structure of the RCs in Georgia. The RC Board membership includes elected officials from member counties and cities and nonpublic appointed members. The law defines RCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources. Separate financial statements may be obtained from:

Southern Georgia Regional Commission
1725 South Georgia Parkway
Waycross, Georgia 31503

The Housing Authority of the City of Waycross, Georgia is considered a related organization based upon the criteria in GASB Statement 14. The Housing Authority is a legally separate entity having a board composed of a majority of members appointed originally by the City. The City is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City of Waycross, Georgia is a related organization.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the fiscal year 1992, the City established internal service funds to account for and finance its uninsured risks of loss. The City maintains commercial insurance coverage covering general liability claims and property damage claims.

In January 1992, the City established a limited risk program for workers' compensation. The City hired Corvel Corporation as administrator for this program. The plan provides coverage for up to a maximum of \$350,000 for each worker's compensation claim. The City purchases commercial insurance for these claims in excess of coverage provided by these funds and for all other insignificant risks of loss. Settled claims in the past three years have not exceeded the commercial coverages.

All funds of the City participate in the program and make payments to the funds based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

Also, the City has established an internal service fund to account for its self-insurance program relating to workers compensation insurance. The purpose of this fund is to pay worker's compensation claims of the city employees while minimizing the total costs to the municipality. The City maintains a stop-loss policy with a private insurance company. City officials believe that the reserve in this fund is adequate to cover any incurred, but not reported, losses through the statement date. Changes in the claims liability amount in the fiscal years 2018 – 2020 were:

Fiscal Year	Balance Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance End of Fiscal Year
2018	\$ 26,050	\$ 530,985	\$ 485,558	\$ 71,477
2019	71,477	3,149,659	2,473,648	747,488
2020	747,488	2,778,272	2,639,121	886,639

NOTES TO FINANCIAL STATEMENTS

NOTE 13. FUND EQUITY

The City's fund balances at June 30, 2020 are classified as follows:

Nonspendable – The following fund balances are nonspendable because they are allocated to:

General Fund:		
Inventories	\$	32,171
WPD Info Technology Fund:		
Prepays		4,996
		4,996
Total Nonspendable	\$	37,167

Restricted – The following fund balances are restricted for:

Special Revenue Funds:

<i>Cemetery Fund</i> - used to account for funds that accumulated for cemetery improvements and expansion.	\$	1,221
<i>Forfeited Property Fund</i> - used to account for funds received from property forfeitures.		8,387
<i>Jail Fund</i> - used to account for vending revenue of the jail.		762
<i>EIP Revolving Loan Fund</i> - used to account for revolving loans issued to local businesses.		102,292
<i>Waycross Fire Dept. Fund</i> - used to account for contributions and miscellaneous grants received for the purpose of the fire department.		3,464
<i>FEMA Grants Fund</i> - used to account for the expenditure and reimbursement of FEMA grant funds.		565
<i>Misc Grants Fund</i> - used to account for the expenditure and reimbursement of various grant funds.		25,977
<i>Hotel/Motel Tax Fund</i> - used to account for hotel/motel tax revenues.		262,407
Total Restricted for Special Revenue	\$	405,075

NOTES TO FINANCIAL STATEMENTS

NOTE 14. FUND EQUITY (CONTINUED)

Restricted (Continued) – The following fund balances are restricted for:

Capital Project Funds:

<i>SPLOST 2008 – 2013 Fund</i> - used to account for capital projects financed with special purpose local option sales tax.	\$ 116
<i>SPLOST 2014 Fund</i> - used to account for capital projects financed with special purpose local option sales tax.	4,403,860
<i>TSPLOST Fund</i> - used to account for capital projects financed with transportation special purpose local option sales tax.	6,760,439
<i>LMIG Fund</i> - used to account for capital projects financed with Georgia DOT local maintenance improvement program.	<u>446,705</u>
Total Restricted for Capital Projects	<u>\$ 11,611,120</u>
Total Restricted Fund Balance	<u><u>\$ 12,016,195</u></u>

Committed – The following fund balances are committed to:

Special Revenue Funds:

<i>Community Development Fund</i> - used to account for miscellaneous revenues that are committed to community development expenditures.	<u>\$ 55,308</u>
Total Committed Fund Balance	<u><u>\$ 55,308</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 14. FUND EQUITY (CONTINUED)

Assigned – The following fund balances are assigned to:

Special Revenue Funds:

<i>WPD Info Technology Fund</i> - used to account for fines and forfeitures that are restricted for the use of police department information technology expenditures.	\$ 8,787
<i>Okefenokee Classic Fund</i> - used to account for activity involving Okefenokee classic and related community events.	43,237
<i>Misc Fund</i> - used to account for donations for the purpose of upkeep and improvements to Henry Walker Park.	5,179
<i>Fallen Firefighter Scholarship Fund</i> - used to account for donations for the purpose of awarding scholarships.	<u>13,797</u>
Total Assigned Fund Balance	<u>\$ 71,000</u>

Unassigned – The City’s policy is to maintain an adequate General Fund unassigned balance to provide liquidity in the event of economic downturn or natural disaster.

The following balances are unassigned:

<i>General Fund</i>	\$ 2,012,164
<i>ATM Machine Fund</i> - negative restricted fund balance reported as unassigned.	<u>(832)</u>
Total Unassigned Fund Balance	<u>\$ 2,011,332</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAYCROSS, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30,

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 198,141	\$ 192,647	\$ 225,540	\$ 207,015	\$ 227,258	\$ 251,053
Interest on total pension liability	2,080,959	2,040,414	1,990,517	1,892,540	1,792,817	1,793,391
Differences between expected and actual experience	323,138	74,368	227,231	720,404	750,194	7,838
Changes of assumptions		-	-	-	-	(652,628)
Benefit payments, including refunds of employee contributions	(1,911,684)	(1,632,975)	(1,592,095)	(1,519,404)	(1,447,622)	(1,366,508)
Other	1,456,891	-	498,035	-	-	-
Net change in total pension liability	2,147,445	674,454	1,349,228	1,300,555	1,322,647	33,146
Total pension liability - beginning	28,503,815	27,829,361	26,480,133	25,179,578	23,856,931	23,823,785
Total pension liability - ending (a)	30,651,260	28,503,815	27,829,361	26,480,133	25,179,578	23,856,931
Plan fiduciary net position						
Contributions - employer	1,252,633	1,155,866	1,295,082	1,052,861	1,271,784	1,346,236
Net investment income	684,686	2,149,941	2,888,955	1,970,741	215,191	1,828,654
Benefit payments, including refunds of member contributions	(1,911,684)	(1,632,975)	(1,592,095)	(1,519,404)	(1,447,622)	(1,366,508)
Administrative expenses	(43,141)	(46,405)	(49,773)	(29,741)	(33,233)	(26,282)
Net change in plan fiduciary net position	(17,506)	1,626,427	2,542,169	1,474,457	6,120	1,782,100
Plan fiduciary net position - beginning	23,490,066	21,863,639	19,321,470	17,847,013	17,840,893	16,058,793
Plan fiduciary net position - ending (b)	23,472,560	23,490,066	21,863,639	19,321,470	17,847,013	17,840,893
City's net pension liability - ending (a) - (b)	\$ 7,178,700	\$ 5,013,749	\$ 5,965,722	\$ 7,158,663	\$ 7,332,565	\$ 6,016,038
Plan fiduciary net position as a percentage of the total pension liability	76.6%	82.4%	78.6%	73.0%	70.9%	74.8%
Covered payroll	\$ 5,852,603	\$ 6,590,887	\$ 6,483,790	\$ 7,006,241	\$ 6,658,368	\$ 6,733,231
Net pension liability as a percentage of covered payroll	122.7%	76.1%	92.0%	102.2%	110.1%	89.3%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF WAYCROSS, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CITY CONTRIBUTIONS RETIREMENT PLAN FOR THE FISCAL YEAR ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,265,356	\$ 1,201,300	\$ 1,262,900	\$ 1,175,945	\$ 1,142,494	\$ 1,313,925
Contributions in relation to the actuarially determined contribution	<u>1,265,356</u>	<u>1,201,300</u>	<u>1,262,900</u>	<u>1,173,157</u>	<u>1,047,286</u>	<u>1,314,801</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,788</u>	<u>\$ 95,208</u>	<u>\$ (876)</u>
Covered employee payroll	\$ 5,852,603	\$ 6,590,887	\$ 6,483,790	\$ 7,006,241	\$ 6,658,368	\$ 6,733,231
Contributions as a percentage of covered-employee payroll	21.6%	18.2%	19.5%	16.7%	15.7%	19.5%

Notes to the Schedule:

Valuation Date	January 1, 2020
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return	
On Investments	7.375%
Projected Salary Increases	2.25%, plus service based merit increases
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for unfunded liability

The schedule will present 10 years of information once it is accumulated.

**COMBINING STATEMENTS
AND SCHEDULES**

CITY OF WAYCROSS, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The **Cemetery Fund** accounts for the revenues received for the upkeep of cemetery lots within the City.

The **Forfeited Property Fund** accounts for confiscated and condemned funds received and disbursed for law enforcement expenditures.

The **Jail Fund** accounts for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

The **WPD Info Technology Fund** accounts for fees collected for information technology.

The **Community Development Fund** accounts for the receipt and expenditures of monies received from community block grants for improvements to the community.

The **EIP Revolving Loan Fund** accounts the operations of the City's revolving loans for various activities.

The **Waycross Fire Dept. Fund** accounts for the activity of the City's fire department.

The **Okefenokee Classic Fund** accounts for activities for the Okefenokee Classic.

The **FEMA Grants Fund** accounts for the federal grant monies received from the Federal Emergency Management Association.

The **Miscellaneous Grants Fund** accounts for grants that are not significant in nature.

The **Hotel/Motel Tax Fund** accounts for revenues and expenditures for hotel/motel taxes collected by the City.

The **Miscellaneous Fund** accounts for miscellaneous items not associated with any existing funds.

The **Fallen Firefighters Scholarship Fund** accounts for scholarship monies raised for fallen firefighters.

The **ATM Machine Fund** accounts for fees earned at the ATM Machine.

CITY OF WAYCROSS, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The **LMIG Fund** accounts for local maintenance and improvements grants received by the City.

The **SPLOST 2008 – 2013 Fund** accounts for the special one cent sales tax revenues that are specifically restricted to various capital improvements within the City limits.

CITY OF WAYCROSS, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds					
	Cemetery Fund	Forfeited Property Fund	Jail Fund	WPD Info Technology Fund	Community Development Fund	EIP Revolving Loan Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ 8,387	\$ 762	\$ 7,400	\$ 55,308	\$ 50,987
Prepaid expenses	-	-	-	4,996	-	-
Other receivable	3,100	-	-	1,387	-	51,305
Total assets	<u>\$ 3,100</u>	<u>\$ 8,387</u>	<u>\$ 762</u>	<u>\$ 13,783</u>	<u>\$ 55,308</u>	<u>\$ 102,292</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued liabilities	\$ 1,879	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>1,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	4,996	-	-
Restricted	1,221	8,387	762	-	-	102,292
Committed	-	-	-	-	55,308	-
Assigned	-	-	-	8,787	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>1,221</u>	<u>8,387</u>	<u>762</u>	<u>13,783</u>	<u>55,308</u>	<u>102,292</u>
Total liabilities and fund balances (deficits)	<u>\$ 3,100</u>	<u>\$ 8,387</u>	<u>\$ 762</u>	<u>\$ 13,783</u>	<u>\$ 55,308</u>	<u>\$ 102,292</u>

(Continued)

Special Revenue Funds

Waycross Fire Dept. Fund	Okefenokee Classic Fund	FEMA Grants Fund	Misc Grants Fund	Hotel/Motel Tax Fund	Miscellaneous Fund	Fallen Firefighters Scholarship	ATM Machine Fund
\$ 3,464	\$ 41,512	\$ 565	\$ 26,057	\$ 239,933	\$ 5,179	\$ 13,797	\$ 17,468
-	-	-	-	-	-	-	-
-	1,725	-	-	27,380	-	-	-
<u>\$ 3,464</u>	<u>\$ 43,237</u>	<u>\$ 565</u>	<u>\$ 26,057</u>	<u>\$ 267,313</u>	<u>\$ 5,179</u>	<u>\$ 13,797</u>	<u>\$ 17,468</u>
\$ -	\$ -	\$ -	\$ 80	\$ 4,906	\$ -	\$ -	\$ 18,300
-	-	-	80	4,906	-	-	18,300
-	-	-	-	-	-	-	-
3,464	-	565	25,977	262,407	-	-	-
-	-	-	-	-	-	-	-
-	43,237	-	-	-	5,179	13,797	-
-	-	-	-	-	-	-	(832)
<u>3,464</u>	<u>43,237</u>	<u>565</u>	<u>25,977</u>	<u>262,407</u>	<u>5,179</u>	<u>13,797</u>	<u>(832)</u>
<u>\$ 3,464</u>	<u>\$ 43,237</u>	<u>\$ 565</u>	<u>\$ 26,057</u>	<u>\$ 267,313</u>	<u>\$ 5,179</u>	<u>\$ 13,797</u>	<u>\$ 17,468</u>

CITY OF WAYCROSS, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>Capital Project Funds</u>		
	<u>LMIG</u>	<u>SPLOST</u>	<u>Totals</u>
	<u>Fund</u>	<u>2008-2013</u> <u>Fund</u>	
ASSETS			
Cash and cash equivalents	\$ 446,705	\$ 116	\$ 917,640
Prepaid expenses	-	-	4,996
Other receivable	-	-	84,897
Total assets	<u>\$ 446,705</u>	<u>\$ 116</u>	<u>\$ 1,007,533</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 25,165
Total liabilities	<u>-</u>	<u>-</u>	<u>25,165</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	4,996
Restricted	446,705	116	851,896
Committed	-	-	55,308
Assigned	-	-	71,000
Unassigned	-	-	(832)
Total fund balances (deficits)	<u>446,705</u>	<u>116</u>	<u>982,368</u>
Total liabilities and fund balances (deficits)	<u>\$ 446,705</u>	<u>\$ 116</u>	<u>\$ 1,007,533</u>

(Concluded)

CITY OF WAYCROSS, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds					
	Cemetery Fund	Forfeited Property Fund	Jail Fund	WPD Info Technology Fund	Community Development Fund	EIP Revolving Loan Fund
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees	-	11,792	-	7,400	-	-
Intergovernmental	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	8,483
Other revenues	192,296	-	1,945	-	-	-
Total revenues	<u>192,296</u>	<u>11,792</u>	<u>1,945</u>	<u>7,400</u>	<u>-</u>	<u>8,483</u>
Expenditures						
Current:						
General government	-	-	-	-	-	75,000
Public safety	-	23,166	1,920	-	-	-
Public works	228,695	-	-	-	-	-
Community development	-	-	-	-	1,450	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>228,695</u>	<u>23,166</u>	<u>1,920</u>	<u>-</u>	<u>1,450</u>	<u>75,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,399)</u>	<u>(11,374)</u>	<u>25</u>	<u>7,400</u>	<u>(1,450)</u>	<u>(66,517)</u>
Other financing sources (uses)						
Transfers in	36,077	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>36,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(322)	(11,374)	25	7,400	(1,450)	(66,517)
Fund balances (deficits), beginning of year	<u>1,543</u>	<u>19,761</u>	<u>737</u>	<u>6,383</u>	<u>56,758</u>	<u>168,809</u>
Fund balances (deficits), end of year	<u>\$ 1,221</u>	<u>\$ 8,387</u>	<u>\$ 762</u>	<u>\$ 13,783</u>	<u>\$ 55,308</u>	<u>\$ 102,292</u>

(Continued)

Special Revenue Funds

Waycross Fire Dept. Fund	Okefenokee Classic Fund	FEMA Grants Fund	Misc Grants Fund	Hotel/Motel Tax Fund	Miscellaneous Fund	Fallen Firefighters Scholarship	ATM Machine Fund
\$ -	\$ -	\$ -	\$ -	\$ 401,501	\$ -	\$ -	\$ -
500	-	-	-	-	-	-	-
-	-	-	187,822	-	-	-	-
-	-	-	1	-	1	-	395
702	-	3,996	-	-	-	6,814	5,315
<u>1,202</u>	<u>-</u>	<u>3,996</u>	<u>187,823</u>	<u>401,501</u>	<u>1</u>	<u>6,814</u>	<u>5,710</u>
-	-	-	-	-	-	-	31,574
6,525	-	-	-	-	-	-	-
-	-	-	143,326	-	-	-	-
-	-	-	45,299	124,077	-	5,500	-
-	-	-	-	-	-	-	-
<u>6,525</u>	<u>-</u>	<u>-</u>	<u>188,625</u>	<u>124,077</u>	<u>-</u>	<u>5,500</u>	<u>31,574</u>
(5,323)	-	3,996	(802)	277,424	1	1,314	(25,864)
-	-	-	-	-	-	-	-
-	-	-	-	(261,475)	-	-	-
-	-	-	-	(261,475)	-	-	-
(5,323)	-	3,996	(802)	15,949	1	1,314	(25,864)
8,787	43,237	(3,431)	26,779	246,458	5,178	12,483	25,032
<u>\$ 3,464</u>	<u>\$ 43,237</u>	<u>\$ 565</u>	<u>\$ 25,977</u>	<u>\$ 262,407</u>	<u>\$ 5,179</u>	<u>\$ 13,797</u>	<u>\$ (832)</u>

CITY OF WAYCROSS, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Capital Project Funds</u>		<u>Totals</u>
	<u>LMIG Fund</u>	<u>SPLOST 2008-2013 Fund</u>	
Revenues			
Taxes	\$ -	\$ -	\$ 401,501
Fees	-	-	19,692
Intergovernmental	489,613	-	677,435
Interest revenue	-	4,241	13,121
Other revenues	-	-	211,068
Total revenues	<u>489,613</u>	<u>4,241</u>	<u>1,322,817</u>
Expenditures			
Current:			
General government	-	-	106,574
Public safety	-	-	31,611
Public works	-	-	372,021
Community development	-	-	176,326
Capital outlay	<u>514,879</u>	<u>477,890</u>	<u>992,769</u>
Total expenditures	<u>514,879</u>	<u>477,890</u>	<u>1,679,301</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,266)</u>	<u>(473,649)</u>	<u>(356,484)</u>
Other financing sources (uses)			
Transfers in	-	-	36,077
Transfers out	-	-	(261,475)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(225,398)</u>
Net change in fund balances	(25,266)	(473,649)	(581,882)
Fund balances (deficits), beginning of year	<u>471,971</u>	<u>473,765</u>	<u>1,564,250</u>
Fund balances (deficits), end of year	<u>\$ 446,705</u>	<u>\$ 116</u>	<u>\$ 982,368</u>

(Concluded)

CITY OF WAYCROSS, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008-2013
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Project Description	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Roads and streets	\$ 5,381,812	\$ 5,381,812	\$ 3,739,852	\$ -	\$ 3,739,852
Public buildings	3,600,000	3,600,000	3,629,919	477,890	4,107,809
Information technology	75,000	75,000	60,921	-	60,921
Water and sewer rehabilitation and expansion	2,000,000	2,000,000	1,132,751	-	1,132,751
Fire and special purpose vehicles	1,350,000	1,369,332	1,369,332	-	1,369,332
Property acquisition and demolition	600,000	600,000	133,908	-	133,908
Downtown Development Authority	500,000	500,000	387,259	-	387,259
	<u>\$ 13,506,812</u>	<u>\$ 13,526,144</u>	<u>\$ 10,453,942</u>	<u>\$ 477,890</u>	<u>\$ 10,931,832</u>

CITY OF WAYCROSS, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2014 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Revised Estimated Cost</u>	<u>Expenditures</u>		<u>Total</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Roads, streets and bridge improvements and equipment	\$ 5,740,000	\$ 5,740,000	\$ 2,167,374	\$ 1,451,942	\$ 3,619,316
Water and sewer rehabilitation	1,000,000	1,000,000	554,079	331,444	885,523
Public facility improvements, demolition and acquisition	6,422,000	6,422,000	2,583,458	848,541	3,431,999
Public safety and special purpose vehicle fleet	1,500,000	1,500,000	1,424,400	-	1,424,400
City park improvements	435,000	435,000	70,109	80,279	150,388
Development authority construction, infrastructure economic development	250,000	250,000	7,500	66,282	73,782
Information technology equipment, software and training	125,000	125,000	157,887	-	157,887
	<u>\$ 15,472,000</u>	<u>\$ 15,472,000</u>	<u>\$ 6,964,807</u>	<u>\$ 2,778,488</u>	<u>\$ 9,743,295</u>

CITY OF WAYCROSS, GEORGIA

**SCHEDULE OF EXPENDITURES OF TRANSPORTATION
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Revised Estimated Cost</u>	<u>Expenditures</u>		
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Roads, streets and bridge improvements and equipment	\$ 1,694,606	\$ 1,706,401	\$ 27,094	\$ 1,057,678	\$ 1,084,772
	<u>\$ 1,694,606</u>	<u>\$ 1,706,401</u>	<u>\$ 27,094</u>	<u>\$ 1,057,678</u>	<u>\$ 1,084,772</u>

CITY OF WAYCROSS, GEORGIA

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

The **Health Insurance Fund** accounts for health insurance provided to departments of the City.

The **Workers Compensation Fund** accounts for workers comp insurance provided to departments of the City.

The **Liability Insurance Fund** accounts for liability insurance provided to departments of the City.

The **Retirement Fund** accounts for retirement costs provided to departments of the City.

The **Payroll Fund** accounts for payroll services provided to departments of the City.

The **Warehouse Fund** accounts for storage of certain supplies and materials for the City's use.

The **City Garage Fund** accounts for fleet management services provided to departments of the City.

The **Enterprise Fleet Management Fund** accounts for fleets leasing of vehicles.

CITY OF WAYCROSS, GEORGIA

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2020

	Health Insurance Fund	Workers Compensation Fund	Liability Insurance Fund
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 26,995	\$ 785,358	\$ 762,072
Accounts receivable, net of allowances	9,256	-	-
Inventories	-	-	-
Total current assets	36,251	785,358	762,072
NON-CURRENT ASSETS			
Capital assets, depreciable, net of accumulated depreciation	-	-	-
Total non-current assets	-	-	-
Total assets	36,251	785,358	762,072
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	18,880	886,639	10,785
Accrued liabilities	-	-	-
Due to other funds	2,860,454	-	-
Current portion - capital leases	-	-	-
Total current liabilities	2,879,334	886,639	10,785
NON-CURRENT LIABILITIES			
Capital leases payable, net of current portion	-	-	-
Total non-current liabilities	-	-	-
Total liabilities	2,879,334	886,639	10,785
NET POSITION			
Unrestricted	(2,843,083)	(101,281)	751,287
Total net position	\$ (2,843,083)	\$ (101,281)	\$ 751,287

<u>Retirement Fund</u>	<u>Payroll Fund</u>	<u>Warehouse Fund</u>	<u>City Garage Fund</u>	<u>Enterprise Fleet Management Fund</u>	<u>Total Internal Service Funds</u>
\$ 393,253	\$ 31,018	\$ 60,273	\$ 80,676	\$ 15,002	\$ 2,154,647
-	-	-	-	-	9,256
-	-	-	29,039	-	29,039
<u>393,253</u>	<u>31,018</u>	<u>60,273</u>	<u>109,715</u>	<u>15,002</u>	<u>2,192,942</u>
-	-	-	-	92,592	92,592
-	-	-	-	92,592	92,592
<u>393,253</u>	<u>31,018</u>	<u>60,273</u>	<u>109,715</u>	<u>107,594</u>	<u>2,285,534</u>
-	11,902	15,425	2,944	3,663	950,238
-	-	-	14,817	-	14,817
-	-	67,465	-	-	2,927,919
-	-	-	-	19,344	19,344
<u>-</u>	<u>11,902</u>	<u>82,890</u>	<u>17,761</u>	<u>23,007</u>	<u>3,912,318</u>
-	-	-	-	73,616	73,616
-	-	-	-	73,616	73,616
<u>-</u>	<u>11,902</u>	<u>82,890</u>	<u>17,761</u>	<u>96,623</u>	<u>3,985,934</u>
393,253	19,116	(22,617)	91,954	10,971	(1,700,400)
<u>\$ 393,253</u>	<u>\$ 19,116</u>	<u>\$ (22,617)</u>	<u>\$ 91,954</u>	<u>\$ 10,971</u>	<u>\$ (1,700,400)</u>

CITY OF WAYCROSS, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Health Insurance Fund	Workers Compensation Fund	Liability Insurance Fund
OPERATING REVENUES			
Charges for services	\$ 787,870	\$ -	\$ -
Operating contributions	1,530,002	560,001	305,005
Total operating revenues	<u>2,317,872</u>	<u>560,001</u>	<u>305,005</u>
OPERATING EXPENSES			
Personal services	-	-	-
Purchased or contracted service	-	-	-
Repairs and maintenance	-	-	-
Insurance claims and expenses	2,639,017	615,698	311,963
Retirement payments	-	-	-
Depreciation	-	-	-
Total operating expenses	<u>2,639,017</u>	<u>615,698</u>	<u>311,963</u>
Operating income (loss)	<u>(321,145)</u>	<u>(55,697)</u>	<u>(6,958)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest expense	-	-	-
Interest revenue	-	-	-
Miscellaneous revenue	277,726	642,006	14,452
Total non-operating revenues, net	<u>277,726</u>	<u>642,006</u>	<u>14,452</u>
Change in net position	(43,419)	586,309	7,494
NET POSITION, beginning of year	<u>(2,799,664)</u>	<u>(687,590)</u>	<u>743,793</u>
NET POSITION, end of year	<u>\$ (2,843,083)</u>	<u>\$ (101,281)</u>	<u>\$ 751,287</u>

Retirement Fund	Payroll Fund	Warehouse Fund	City Garage Fund	Enterprise Fleet Management Fund	Total Internal Service Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 787,870
1,209,515	5,418	-	395,528	-	4,005,469
<u>1,209,515</u>	<u>5,418</u>	<u>-</u>	<u>395,528</u>	<u>-</u>	<u>4,793,339</u>
-	-	11,931	300,844	-	312,775
-	-	-	21,019	3,663	24,682
-	-	-	19,281	-	19,281
-	20,058	-	-	-	3,586,736
1,201,300	-	-	-	-	1,201,300
-	-	-	-	4,873	4,873
<u>1,201,300</u>	<u>20,058</u>	<u>11,931</u>	<u>341,144</u>	<u>8,536</u>	<u>5,149,647</u>
8,215	(14,640)	(11,931)	54,384	(8,536)	(356,308)
-	-	-	-	(783)	(783)
-	799	-	-	-	799
-	-	-	-	20,290	954,474
<u>-</u>	<u>799</u>	<u>-</u>	<u>-</u>	<u>19,507</u>	<u>954,490</u>
8,215	(13,841)	(11,931)	54,384	10,971	598,182
<u>385,038</u>	<u>32,957</u>	<u>(10,686)</u>	<u>37,570</u>	<u>-</u>	<u>(2,298,582)</u>
<u>\$ 393,253</u>	<u>\$ 19,116</u>	<u>\$ (22,617)</u>	<u>\$ 91,954</u>	<u>\$ 10,971</u>	<u>\$ (1,700,400)</u>

CITY OF WAYCROSS, GEORGIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Health Insurance Fund	Workers Compensation Fund	Liability Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,621,460	\$ -	\$ -
Receipts from other funds for services	-	560,001	305,005
Payments to suppliers	(2,899,186)	(476,547)	(301,178)
Payments to employees	-	-	-
Net cash provided by (used in) operating activities	<u>(277,726)</u>	<u>83,454</u>	<u>3,827</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Miscellaneous non-operating revenue	<u>277,726</u>	<u>642,006</u>	<u>14,452</u>
Net cash provided by non-capital financing activities	<u>277,726</u>	<u>642,006</u>	<u>14,452</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	-	-
Proceeds from capital leases payable	-	-	-
Principal paid on capital leases	-	-	-
Interest paid	-	-	-
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest revenue	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Change in cash and cash equivalents	-	725,460	18,279
Cash and cash equivalents:			
Beginning of year	<u>26,995</u>	<u>59,898</u>	<u>743,793</u>
End of year	<u>\$ 26,995</u>	<u>\$ 785,358</u>	<u>\$ 762,072</u>

(Continued)

<u>Retirement Fund</u>	<u>Payroll Fund</u>	<u>Warehouse Fund</u>	<u>City Garage Fund</u>	<u>Enterprise Fleet Management Fund</u>	<u>Total Internal Service Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,621,460
1,209,515	5,418	1,097	395,528	-	2,476,564
(1,201,300)	(19,987)	10,834	(41,970)	-	(4,929,334)
-	-	(11,931)	(306,888)	-	(318,819)
8,215	(14,569)	-	46,670	-	(150,129)
-	-	-	-	20,290	954,474
-	-	-	-	20,290	954,474
-	-	-	-	(97,465)	(97,465)
-	-	-	-	97,465	97,465
-	-	-	-	(4,505)	(4,505)
-	-	-	-	(783)	(783)
-	-	-	-	(5,288)	(5,288)
-	799	-	-	-	799
-	799	-	-	-	799
8,215	(13,770)	-	46,670	15,002	799,856
385,038	44,788	60,273	34,006	-	1,354,791
<u>\$ 393,253</u>	<u>\$ 31,018</u>	<u>\$ 60,273</u>	<u>\$ 80,676</u>	<u>\$ 15,002</u>	<u>\$ 2,154,647</u>

CITY OF WAYCROSS, GEORGIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Health Insurance Fund</u>	<u>Workers Compensation Fund</u>	<u>Liability Insurance Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (321,145)	\$ (55,697)	\$ (6,958)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	-	-	-
Changes in assets and liabilities:			
Increase in accounts receivable	(119)	-	-
Increase (decrease) in accounts payable	(260,169)	139,151	10,785
Decrease in accrued liabilities	-	-	-
Increase in due to other funds	303,707	-	-
	<u>303,707</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ (277,726)</u>	<u>\$ 83,454</u>	<u>\$ 3,827</u>

(Concluded)

<u>Retirement Fund</u>	<u>Payroll Fund</u>	<u>Warehouse Fund</u>	<u>City Garage Fund</u>	<u>Enterprise Fleet Management Fund</u>	<u>Total Internal Service Funds</u>
\$ 8,215	\$ (14,640)	\$ (11,931)	\$ 54,384	(8,536)	\$ (356,308)
-	-	-	-	4,873	4,873
-	-	-	-	-	(119)
-	71	10,834	(1,670)	3,663	(97,335)
-	-	-	(6,044)	-	(6,044)
-	-	1,097	-	-	304,804
<u>\$ 8,215</u>	<u>\$ (14,569)</u>	<u>\$ -</u>	<u>\$ 46,670</u>	<u>-</u>	<u>\$ (150,129)</u>

CITY OF WAYCROSS, GEORGIA

AGENCY FUNDS

Agency funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

The **Police Condemnation Fund** accounts for monies seized that are waiting to be disposed of by the court system.

The **Municipal Court Fund** accounts for court bonds held awaiting court dates.

CITY OF WAYCROSS, GEORGIA

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Police Condemnation</u>	<u>Municipal Court</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 41,386	\$ 139,739	\$ 181,125
Total assets	<u>41,386</u>	<u>139,739</u>	<u>181,125</u>
LIABILITIES			
Refundable court bonds	-	139,739	139,739
Seized funds held	41,386	-	41,386
Total liabilities	<u>\$ 41,386</u>	<u>\$ 139,739</u>	<u>\$ 181,125</u>

COMPLIANCE SECTION



**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 Members
of the City Commission
Waycross, Georgia**

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Waycross, Georgia** (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Waycross, Georgia's basic financial statements and have issued our report thereon dated March 29, 2021.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-002 that we consider to be a material weakness.

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 financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2020-001.

City of Waycross, Georgia's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 City'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.

Mauldin & Jenkins, LLC

Savannah, Georgia
March 29, 2021

CITY OF WAYCROSS, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? Yes No

Significant deficiencies identified not considered
to be material weaknesses? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

There was not an audit of major federal programs for the year ended June 30, 2020, due to the total amount expended being less than \$750,000.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020 – 001. Special Revenue Fund Budgets

Criteria: In accordance with state law, all local governments shall operate under an annual balanced budget for the General Fund, each special revenue fund, and each debt service fund in use by the local government.

Condition/Context: Management has not adopted an annual budget for the Forfeited Property Fund, Jail Fund, Okefenokee Classic Fund, and ATM Machine Fund.

Effect: The purpose of state law is to establish minimum budget, accounting, and auditing requirements for local governments so as to provide local taxpayers with an opportunity to gain information concerning the purposes for which local revenues are proposed to be spent and are actually spent and to assist local governments in generally improving local financial management practices. When budgets are not adopted it is difficult for local taxpayers and other interested parties to gain information on how local revenues were proposed to be spent.

Cause: Oversight during budget process.

Recommendation: We recommend management adopt budgets for all special revenue funds.

Views of Responsible Officials and Planned Corrective Action: Management agrees with the finding. In FY 2021, management will prepare and pass budgets for all special revenue funds as required by statute.

CITY OF WAYCROSS, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2020 – 002. Year-End Close Process

Criteria: Management is responsible for the accuracy and completeness of the financial transactions in the City's general ledger to ensure accurate financial reporting.

Condition/Context: The City does not currently have an adequate monthly or year-end close process, whereby the City's financial records are adjusted, reviewed and reconciled to supporting documentation.

Effect: This condition could lead to inaccurate financial reporting.

Cause: There was an overall lack of appropriate controls implemented at the City during the fiscal year. The City did not properly account for activity, or prepare and review all reconciliations typically required in a strong accounting system.

Recommendation: We recommend the City consider a variety of options to address the above condition. In no particular order, the City should look at the respective staffing of the accounting function, and determine if an adequate number of qualified people are currently available to address the condition. The City should also consider and evaluate its strengths and weaknesses relative to the accounting function, and take measures to address the concerns noted above with a goal of providing timely recording, reconciling and reporting of City operations and financial and non-financial activities.

We further recommend the City consider reinvesting in its accounting personnel by providing technical education and training via participation in governmental accounting and financial reporting continuing education programs which are available in the general geographic area of the City as well as virtually. When certain levels of technical proficiency are observed by management, we further encourage the City to better cross-train the accounting personnel in an effort to make the accounting function a stronger and more capable accounting and finance department.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate errors and identify deficiencies from both an operational and financial perspective.

SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

CITY OF WAYCROSS, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

STATUS OF PRIOR YEAR AUDIT FINDINGS

2019 – 001. Special Revenue Fund Budgets

Criteria: In accordance with state law, all local governments shall operate under an annual balanced budget for the General Fund, each special revenue fund, and each debt service fund in use by the local government.

Condition/Context: Management has not adopted an annual budget for the Forfeited Property Fund, Jail Fund, Okefenokee Classic, and ATM Machine Fund.

Auditee Response/Status: Unresolved – See current year financial audit finding 2020-001.