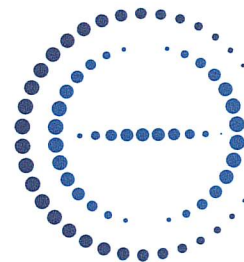


**CITY OF WOODBURY, GEORGIA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**



**CEDAR HILL**  
CPAS AND ADVISORS

**CITY OF WOODBURY, GEORGIA  
FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2019  
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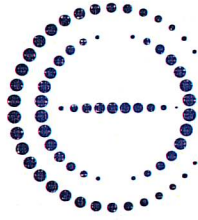
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# CEDAR HILL

CPAS AND ADVISORS

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council  
City of Woodbury  
Woodbury, Georgia

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Woodbury, Georgia, as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 Controller General of the United States. Those standards require that I 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, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

In my 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 component units of the City of Woodbury as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

The budgetary comparison information on page 27 and the Pension Schedules on the following pages are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

I have applied certain limited procedures to the budgetary and pension 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Woodbury's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of basic financial statements. Then schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards 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 my opinion, the combining and individual nonmajor fund financial statements 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*, I have also issued my report dated October 16, 2020, on my consideration of the City of Woodbury, Georgia's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the City of Woodbury's internal; control over financial reporting and compliance.

*Cedar Hill CPA's and Advisors*

Cedar Hill CPA's and Advisors  
October 16, 2020

**CITY OF WOODBURY, GEORGIA**  
**STATEMENT OF NET POSITION**  
December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business- Type Activities	Total	Woodbury Development Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 366,192	\$ 264,651	\$ 630,843	\$ 13,683
Receivables, (net of allowance for doubtful accounts):	172,766	289,421	462,187	
Restricted cash	-	181,201	181,201	
Other assets	-	-	-	5,000
Non-depreciable capital assets	280,810	1,975,016	2,255,826	77,000
Depreciable capital Assets, net	744,273	3,560,901	4,305,174	165,000
	<u>1,564,041</u>	<u>6,271,190</u>	<u>7,835,231</u>	<u>260,683</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred pension plan charges	96,818	12,254	109,072	
Total deferred outflow of resources	<u>96,818</u>	<u>12,254</u>	<u>109,072</u>	
<b>LIABILITIES</b>				
Accounts payable	-	3,132	3,132	
Bank overdrafts	-	16,559	16,559	
Deposits	-	36,733	36,733	
Accrued interest	-	4,240	4,240	
Noncurrent liabilities:				
Due within one year	-	60,008	60,008	7,513
Due in more than one year	-	4,343,698	4,343,698	152,706
	<u>-</u>	<u>4,464,370</u>	<u>4,464,370</u>	<u>160,219</u>
Total liabilities	<u>-</u>	<u>4,464,370</u>	<u>4,464,370</u>	<u>160,219</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension plan deferrals	61,139	4,811	65,950	-
Total deferred inflow of resources	<u>61,139</u>	<u>4,811</u>	<u>65,950</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,025,083	1,131,945	2,157,028	
Restricted for:				
Capital projects	32,403		32,403	
Economic development				100,464
Unrestricted	542,234	682,318	1,224,552	
	<u>1,599,720</u>	<u>1,814,263</u>	<u>3,413,983</u>	<u>100,464</u>
Total net position	<u>\$ 1,599,720</u>	<u>\$ 1,814,263</u>	<u>\$ 3,413,983</u>	<u>\$ 100,464</u>

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

**CITY OF WOODBURY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2019**

	Expenses	Program Revenues			Net (Expenses) Revenues
		Fees, Fines, Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>PROGRAM ACTIVITIES</b>					
<b>GOVERNMENTAL ACTIVITIES:</b>					
General government	386,233	38,800	24,746		(322,687)
Public safety	380,266	115,717			(264,549)
Public works	186,035	42,149			(143,886)
Culture and recreation	2,599				(2,599)
Interest on long-term debt	36				(36)
Total governmental activities	955,169	196,666	24,746	-	(733,757)
<b>BUSINESS-TYPE ACTIVITIES:</b>					
Water utilities	468,399	388,976			(79,423)
Sewerage treatment	222,391	177,801	53,797	313,291	322,498
Solid waste disposal	96,329	109,126			12,797
Total business-type activities	787,118	675,903	53,797	313,291	255,873
Total government	1,742,287	872,569	78,543	313,291	(477,884)
<b>COMPONENT UNIT:</b>					
Woodbury development authority	26,134	-	-	-	(26,134)
		<b>Primary Government</b>		<b>Component Unit</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Woodbury Development Authority</b>	
<b>GENERAL REVENUES:</b>					
Taxes:					
Ad velorem	460,650		460,650		
Sales tax	100,754		100,754		
Alcoholic beverage tax	55,609		55,609		
Franchise tax	57,224		57,224		
Insurance premium tax	73,166		73,166		
Other taxes	135		135		
Miscellaneous	37,974	1,000	38,974	8,550	
Interest	3	340	343		
Transfers					
	785,515	1,340	786,855	8,550	
Changes in net position	51,758	257,213	308,971	(17,584)	
Net position beginning of year	1,438,688	1,807,683	3,246,371	118,048	
Net position at end of year	1,599,720	\$ 1,814,264	3,555,342	100,464	

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

**CITY OF WOODBURY, GEORGIA**  
**BALANCE SHEET**  
**Governmental Funds**  
**December 31, 2019**

	General	2014 SPLOST	Total Non Major	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 341,882	\$ 24,050	\$ 260	\$ 366,192
Receivables, net				-
Ad valorem taxes	156,276	-	-	156,276
Other taxes	16,490	-	-	16,490
Due from other funds	-	-	-	-
Total assets	<u>514,647</u>	<u>24,050</u>	<u>260</u>	<u>538,957</u>
<b>LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND Balances</b>				
<b>LIABILITIES</b>				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS of RESOURCES</b>	<u>156,870</u>	<u>-</u>	<u>-</u>	<u>156,870</u>
<b>FUND BALANCES</b>				
Restricted for capital projects	8,093	24,050	260	32,403
Unassigned	349,683	-	-	349,683
Total fund balances	<u>357,776</u>	<u>24,050</u>	<u>260</u>	<u>382,086</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 514,647</u>	<u>\$ 24,050</u>	<u>\$ 260</u>	<u>\$ 538,957</u>

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



**CITY OF WOODBURY, GEORGIA**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to Statement of Net Position**  
**December 31, 2019**

Total governmental funds balances	\$ 382,086
Amounts reported for governmental activities on the statement of net assets are different because of the following:	
Capital assets of \$2,116,210 net of accumulated depreciation of \$1,091,127 used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,025,083
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds: Due in more than one year	596
Certain resources are recorded in the funds as current but are properly deferred in the statement of net assets Deferred outflows for pension plans Deferred inflows for pension plans	96,818 (61,139)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds: Property taxes	<u>156,276</u>
Net position of governmental Activities	<u><u>1,599,720</u></u>

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

**CITY OF WOODBURY, GEORGIA**  
**STATEMENT OF REVENUES AND CHANGES IN FUND BALANCES**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

	General	2014 SPLOST	Total Non Major	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 460,650	\$ -	\$ -	\$ 460,650
Sales taxes	100,754	-	-	100,754
Alcoholic beverage tax	55,609	-	-	55,609
Franchise tax	57,224	-	-	57,224
Insurance premium tax	73,166	-	-	73,166
Other local taxes	135	-	-	135
Intergovernmental	24,746	-	-	24,746
Licenses and permits	38,800	-	-	38,800
Charges for services	42,149	-	-	42,149
Fines and forfeitures	115,717	-	-	115,717
Interest	3	-	-	3
Other	37,974	-	-	37,974
Total revenues	<u>1,006,925</u>	<u>-</u>	<u>-</u>	<u>1,006,925</u>
<b>EXPENDITURES</b>				
Current				
General government	372,872	-	-	372,872
Judicial	6,200	-	-	6,200
Public safety	380,266	-	-	380,266
Public works	185,545	450	40	186,035
Health and Welfare	4,516	-	-	4,516
Culture and recreation	2,559	-	-	2,559
Capital outlay	900	-	-	900
Debt service				
Principal	1,275	-	-	1,275
Interest	36	-	-	36
Total expenditures	<u>954,169</u>	<u>450</u>	<u>40</u>	<u>954,659</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	<u>52,756</u>	<u>(450)</u>	<u>(40)</u>	<u>52,266</u>
Net change in fund balances	52,756	(450)	(40)	\$ 52,266
Fund balance beginning	<u>305,020</u>	<u>24,500</u>	<u>300</u>	<u>329,820</u>
Fund balance at end of year	<u>\$ 357,776</u>	<u>\$ 24,050</u>	<u>\$ 260</u>	<u>382,086</u>

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

**CITY OF WOODBURY, GEORGIA**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended December 31, 2019**

Net Change in Fund Balances - Total Governmental Funds	\$	52,266
<p>Amounts reported for governmental activities on the statement of activities are different because of the following:</p>		
<p>Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year:</p>		(37,462)
<p>The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net assets.</p>		1,275
<p>Long term employee benefit obligations are recorded as an addition or reduction in net position, but not required the use of current economic resources of governmental funds</p>		35,679
<p>Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:</p> <p style="padding-left: 20px;">Property taxes</p>		-
Change in net position of governmental activities		51,758

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

**CITY OF WOODBURY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**Proprietary Funds**  
**December 31, 2019**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 63,233	\$ 201,418		\$ 264,651
Receivables net	152,216	76,904	\$ 60,301	289,421
Restricted cash	181,201	-	-	181,201
Total current assets	<u>396,650</u>	<u>278,322</u>	<u>60,301</u>	<u>735,273</u>
Noncurrent assets:				
Non-depreciable assets	18,000	1,957,016	-	1,975,016
Depreciable assets, net	3,136,740	424,161	-	3,560,901
Total noncurrent assets	<u>3,154,740</u>	<u>2,381,177</u>	<u>-</u>	<u>5,535,917</u>
Total assets	<u>3,551,390</u>	<u>2,659,499</u>	<u>60,301</u>	<u>6,271,190</u>
<b>DEFERRED OUTFLOWS of RESOURCES</b>				
Deferred amount on pension plan	6,184	6,070	-	12,254
	<u>6,184</u>	<u>6,070</u>	<u>-</u>	<u>12,254</u>
<b>LIABILITIES</b>				
Current liabilities				
Bank overdrafts	-	-	16,559	16,559
Accounts payable	881	2,236	15	3,132
Payable from restricted assets				
Revenue bonds	60,008	-	-	60,008
Accrued interest	4,240	-	-	4,240
Deposits	35,883	850	-	36,733
Total current liabilities	<u>101,012</u>	<u>3,086</u>	<u>16,574</u>	<u>120,672</u>
Long-term liabilities				
Net pension liability	(134)	(132)	-	(266)
Note payable	-	1,522,574	-	1,522,574
Revenue bonds payable	2,821,390	-	-	2,821,390
Total long-term liabilities	<u>2,821,256</u>	<u>1,522,442</u>	<u>-</u>	<u>4,343,698</u>
Total liabilities	<u>2,922,268</u>	<u>1,525,528</u>	<u>16,574</u>	<u>4,464,370</u>
<b>DEFERRED INFLOWS of RESOURCES</b>				
Nonamortized pension earnings	2,428	2,383	-	4,811
<b>NET POSITION</b>				
Net investment in capital assets	273,342	858,603	-	1,131,945
Unrestricted	359,536	279,055	43,727	682,318
Total net position	<u>632,878</u>	<u>1,137,658</u>	<u>43,727</u>	<u>1,814,263</u>

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

**CITY OF WOODBURY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**Proprietary Funds**  
**For the Year Ended December 31, 2019**

	Water Fund	Sewer Fund	Solid Waste Fund	Total
<b>OPERATING REVENUES</b>				
Intergovernmental	\$ 53,797	\$ -		\$ 53,797
Charges for services	388,976	177,801	\$ 109,126	675,903
Total operating revenues	<u>442,773</u>	<u>177,801</u>	<u>109,126</u>	<u>729,700</u>
<b>OPERATING EXPENSES</b>				
Personal services	44,001	37,118	-	81,119
Materials and supplies	56,519	13,327	-	69,846
Contractual and other services	273,850	10,487	96,329	380,666
Depreciation	94,028	29,565	-	123,593
Total operating expenses	<u>468,399</u>	<u>90,498</u>	<u>96,329</u>	<u>655,225</u>
Income (loss) from operations	<u>(25,626)</u>	<u>87,303</u>	<u>12,797</u>	<u>74,475</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Debt forgiveness		62,659	-	62,659
Interest income	340	-	-	340
Miscellaneous income	1,000			1,000
Interest expense	(107,410)	(24,483)	-	(131,893)
Total non-operating revenues (expenses)	<u>(106,070)</u>	<u>38,176</u>	<u>-</u>	<u>(67,894)</u>
Income before transfers	(131,696)	125,479	12,797	6,581
<b>TRANSFERS IN</b>	133,885	-	-	133,885
<b>TRANSFERS OUT</b>	<u>-</u>	<u>(133,885)</u>	<u>-</u>	<u>(133,885)</u>
Change in net position	2,189	(8,406)	12,797	6,581
Net position, beginning	<u>630,689</u>	<u>1,146,064</u>	<u>30,930</u>	<u>1,807,683</u>
Net position, ending	<u>\$ 632,878</u>	<u>\$ 1,137,658</u>	<u>\$ 43,727</u>	<u>\$ 1,814,264</u>

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

**CITY OF WOODBURY, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**Proprietary Funds**  
**For the Year Ended December 31, 2019**

	Water Fund	Sewer Fund	Solid Waste Fund	Total
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 349,713	\$ 134,206	\$ 72,516	\$ 556,435
Cash payments to suppliers for goods and services	(366,662)	(196,034)	(104,125)	(666,821)
Cash payments to employees for services	(61,255)	(38,533)	-	(99,788)
Net cash provided (used) by operating activities	<u>(78,204)</u>	<u>(100,361)</u>	<u>(31,609)</u>	<u>(210,174)</u>
<b>Cash flows from operating activities</b>				
Interfund transfers	133,885	(133,885)	-	-
Net cash provided (used) by non-capital financing activities	<u>133,885</u>	<u>(133,885)</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Proceeds of note payable	-	301,047	-	301,047
Construction of capital assets	-	(367,089)	-	(367,089)
Principal paid on revenue bond maturities	-	-	-	-
Interest paid	(107,410)	(24,483)	-	(131,893)
Net cash provided (used) by capital and related financing activities	<u>(107,410)</u>	<u>(90,525)</u>	<u>-</u>	<u>(197,935)</u>
<b>Cash flows from investment activities</b>				
Interest income	1,340	-	-	1,340
Net increase (decrease) in cash and cash investments	(50,389)	(324,771)	(31,609)	(406,769)
Cash and cash equivalents, beginning	<u>294,823</u>	<u>526,189</u>	<u>15,050</u>	<u>836,062</u>
Cash and cash equivalents, ending	<u><u>244,434</u></u>	<u><u>201,418</u></u>	<u><u>(16,559)</u></u>	<u><u>429,293</u></u>
<b>Reconciliation of income (loss) from operations to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ (25,626)	\$ 87,303	\$ 12,797	\$ 74,475
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations				
Depreciation	94,028	29,565	-	123,593
(Increase) decrease in Accounts receivable	\$ (94,490)	(43,595)	(36,610)	(174,695)
Deferred outflows	6,622	4,175	-	10,797
Increase (decrease) in Accounts payable	(36,293)	(172,219)	(7,796)	(216,308)
Accrued pension	(15,141)	(12,137)	-	(27,278)
Deferred inflows	(8,735)	6,547	-	(2,188)
Customer deposits	1,430	850	-	2,280
Net cash provided (used) by operating activities	<u>\$ (78,204)</u>	<u>\$ (100,361)</u>	<u>\$ (31,609)</u>	<u>\$ (210,174)</u>

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

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For Year Ended December 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Woodbury, Georgia (the City) have been prepared in accordance with generally accepted accounting principles in the United States of America (GMP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB), is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the City are described below.

**Reporting Entity**

The City of Woodbury, Georgia operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety, public works, development, culture, recreation, and public utilities. The Mayor and City Council are elected by the citizens of Woodbury and as such have the decision-making authority over the city.

The City is not included in any other "reporting entity" as defined by the Governmental Accounting Standards Board. As required by the accounting principles generally accepted in the United States, these financial statements present the primary government and its component unit, an entity for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide statements to, emphasize it is legally separate from the primary government.

The City's discretely presented component unit has a December 31 year-end.

Component Unit:

Woodbury Development Authority

Created to promote economic development and revitalization in the downtown area of the City through managing commercial property and administering economic development revolving loan programs. Separate financial statements of the Authority are not issued.

**Basic Financial Statements**

The basic financial statements include both government-wide financial statements (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize activities as either governmental or business-type activities. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within 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

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For Year Ended December 31, 2019**  
**(Continued)**

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 and proprietary funds. Major individual governmental funds and major enterprise funds are reported as separate columns in fund financial statements.

**Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recorded when a liability is incurred without regard to receipt or disbursement of cash. Property taxes are recognized in the period for which levied, provided the City has an enforceable legal claim to the resources. Grants, shared revenues, and contributions are recognized when all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues as available if they are collected within 60 days after year end. Revenues susceptible to accrual are grant revenue, property taxes, and service contract revenue earned. Expenditures are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded when payment is due.

The City reports the following major governmental funds:

*General Fund*

The General Fund is the principal fund of the City and is used to account for all activities of the City not otherwise accounted for by a specified fund. This fund is primarily used for the activities under direct control of the Mayor and Council. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

*2014 SPLOST*

This fund is used to account for the collection and expenditure of a County SPLOST referendum. The City reports the following major proprietary funds:

*Water Fund*

This fund is used to account for all operations relating to activities conducted in the operation of a municipal water treatment and supply system.



**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For Year Ended December 31, 2019**  
**(Continued)**

*Sewer Fund*

This fund is used to account for all operations relating to activities conducted in the operation of a municipal wastewater treatment system.

*Solid Waste Fund*

This fund is used to account for the assessment and collection of garbage fees and the disposal costs thereof.

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 government's water and sewer function and various other functions of the government. -

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 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 Water & Sewer Fund are charges to customers for sales and services. Operating expenses for the Water & Sewer Fund include 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 fund balances are available for a specific purpose in more than one classification, it is the City's policy to use the most restricted funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

**Budgets**

The City budgets its operations on an annual basis for the General Fund and the Special Revenue Funds. The proposed budget is prepared each May by a Budget Committee composed of the Mayor and Council. Budget requests from the various City departments are presented to the Committee for consideration. Public hearings are held to discuss the proposed budget and to obtain input from the citizens of Woodbury. The final proposed budget is presented at a City Council meeting for final passage prior to December 31. The final budget is adopted at public meeting. Grants and contracts received by the City during the year are governed by stipulated budgets that are officially adopted at the time the grants are approved. Other than changes made by grantor contracts, there were no amendments to the officially adopted budget for the year.

The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule for the General and Special Revenue Funds presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For Year Ended December 31, 2019**  
**(Continued)**

Revenues are budgeted by source and expenditures are budgeted by department and class as follows: General government, Public safety, Public works, Cultural & Recreation, and Debt service. This constitutes

the legal level of control. General Fund expenditures for capital outlay are budgeted with the respective departments rather than being separately reported. Expenditures may not exceed appropriations at this level except for matching funds required by granters. All budget revisions at this level are subject to final review by the Council. Within these control levels, management may transfer appropriations without Council approval, with the exception of salary amounts.

**Cash and Cash Equivalents**

Cash and equivalents include amounts in demand deposit accounts as well as short-term investments with a maturity date of three months or less.

**Prepaid Expenses**

Payments to vendors for services that will benefit periods after December 31, 2019 are recorded as prepaid items under the consumption method. Because these items do not represent "available spendable resources" in governmental funds, they are equally offset by fund balance reserve accounts.

**Vacation and Sick Leave**

Leave time is required to be taken in the year earned. Vacation and sick benefits may not be carried over to subsequent years so no accrual is made in these financial statements.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of \$500 or more and over three years of useful life. Infrastructure assets acquired or constructed after July 1, 2003 will be capitalized. Prior infrastructure assets have not been capitalized. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Land Improvements	15	Years
Buildings	40 to 50	Years
Vehicles	10	Years
Equipment	10	Years
Water distribution system	50	Years
Sewerage treatment plant	50	Years
Sidewalks	50	Years

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For Year Ended December 31, 2019**  
**(Continued)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This section represents consumption of net position which applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one type of item that qualifies for reporting in this category. It is a deferred charge for pension plan contributions which is reported in the government- wide statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This section represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The City has only one type of item that qualifies for reporting in this category under modified accrual basis of accounting. That item is unavailable revenue for property taxes and is reported in the governmental funds balance sheet. The City has one item in this category that is reported in the government-wide statement of net position, and that is unavailable revenue for the difference between anticipated pension plan asset yield and actual experience. This amount is amortized and recognized as an inflow of resources in the period that the amounts become available.

**Net Position Flow Assumption**

At times the City funds outlays for a particular purpose from both restricted and unrestricted resources. The City assumes that restricted resources are applied first.

**Fund Balance Policies**

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Restricted fund balance- amounts constrained to specific purposes by their providers (such as granters, through constitutional provisions or enabling legislation.

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

Assigned fund balance- amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance- amounts that are available for any purpose; positive amounts are reported only in the general fund.

**Fund Balance Flow Assumption**

It is the City's policy to consider restricted fund balance to have been used before using any of the components of unrestricted fund balance.

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For Year Ended December 31, 2019**  
**(Continued)**

**2. DEPOSITS**

State statutes require that all non-insured public deposits in financial institutions be fully insured or collateralized by U.S. Government obligations that have a market value of not less than the principal amount of the deposits. The City's deposits were fully insured or collateralized as required by state statutes at December 31, 2019. At December 31, 2019, the carrying amount of the City's deposits in financial institutions was \$812,044 and the bank balance was \$876,195.

State statutes require that all public deposits in financial institutions be fully insured or collateralized by U.S. Government obligations that have a market value of not less than the principal amount of the deposits. At December 31, 2019, the City's deposits were fully insured and collateralized according to state law.

Water and Sewer Fund deposit accounts restricted in their use were as follows:

1997 Revenue Bonds	46,727	
2016 Revenue Bonds	134,474	
	\$ 181,201	

**3. RECEIVABLES**

The major receivables consist of utility bills and taxes.

	Governmental Funds	Business Type Activities	Total
Property Taxes	\$ 156,276	\$ -	\$ 156,276
Sales Tax	16,490	-	16,490
Accounts	-	289,421	289,421
	172,766	289,421	462,187
Allowance for Uncollectible	-	-	-
	\$ 172,766	\$ 289,421	\$ 462,187

Receivables and revenues from utility bills are recorded when the services are provided: Amounts shown as a receivable on the balance sheet represent amounts owed but not paid. An allowance for uncollectible accounts has been recorded. This represents the amount of utility bills receivable for which collection is doubtful.

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For Year Ended December 31, 2019**  
**(Continued)**

Revenues from property taxes are recognized as follows:

An ad valorem tax is charged each year on each parcel of taxable property and on each taxable vehicle and mobile home located in the City. The tax is assessed to support the City government. It is based generally on a fixed percentage of the market value multiplied by a millage rate. The market value of the property is determined by the County Board of Assessors and the millage rate is set by the City Council to produce the revenue required to finance the expected expenditures of the City.

After the taxable value of the property has been established and the millage rate determined, the tax is computed on each property, and a tax bill is prepared for the property owner. The total of these computations, called the tax digest, is submitted to the State of Georgia for approval before the tax bills are mailed to the property owners. These tax bills then become the basis for tax collections. A list of uncollected taxes is prepared from the bills remaining unpaid at the end of the year.

The City's ad valorem tax is normally levied each October on the assessed value as of the prior January 1 for all real and business personal property located within the City limits. Taxes are due sixty days after the levy date. For 2019, ad valorem taxes were levied on November 6 and were due January 2.

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For Year Ended December 31, 2019**  
**(Continued)**

**4. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019 was as follows:

	Balance 2018	Additions	Transfers and Disposals	Balance 2019
<b>Governmental Activities:</b>				
Capital assets not being depreciated				
Land	\$ 280,810	\$ -	\$ -	\$ 280,810
Capital assets being depreciated				
Land Improvements	120,783	-	-	120,783
Buildings	1,011,565	-	-	1,011,565
Equipment	225,136	-	-	225,136
Vehicles	179,030	-	-	179,030
Infrastructure	298,886	-	-	298,886
	<u>1,835,400</u>	<u>-</u>	<u>-</u>	<u>1,835,400</u>
Less accumulated depreciation for:				
Land Improvements	(116,716)	(3,067)	18,075	(101,708)
Buildings	(438,159)	(31,923)	-	(470,082)
Equipment	(209,068)	(7,590)	-	(216,658)
Vehicles	(168,979)	(10,051)	-	(179,030)
Infrastructure	(119,843)	(3,806)	-	(123,649)
	<u>(1,052,765)</u>	<u>(56,437)</u>	<u>18,075</u>	<u>(1,091,127)</u>
Capital assets being depreciated, net Governmental activities	782,635	(56,437)	18,075	744,273
Capital Assets, net	<u>\$ 1,565,270</u>	<u>\$ (56,437)</u>	<u>\$ 18,075</u>	<u>\$ 1,526,908</u>
<b>Business-type Activities:</b>				
Capital assets not being depreciated				
Construction in Progress	\$ 1,607,927	\$ 367,089	\$ -	\$ 1,975,016
Total	<u>1,607,927</u>	<u>367,089</u>	<u>-</u>	<u>1,975,016</u>
Capital assets being depreciated				
Intangible Assets	-	-	-	-
Vehicles	27,817	-	-	27,817
Equipment	83,734	-	-	83,734
Water Distribution System	4,747,945	-	-	4,747,945
Sewerage Treatment Plant	1,478,259	-	-	1,478,259
	<u>6,337,755</u>	<u>-</u>	<u>-</u>	<u>6,337,755</u>
Less Accumulated Depreciation for:				
Intangible Assets	-	-	-	-
Vehicles	(27,817)	-	-	(27,817)
Equipment	(83,734)	-	-	(83,734)
Water Distribution System	(1,517,177)	(94,028)	-	(1,611,205)
Sewerage Treatment Plant	(1,024,532)	(29,565)	-	(1,054,097)
	<u>(2,653,260)</u>	<u>(123,593)</u>	<u>-</u>	<u>(2,776,853)</u>
Capital Assets being Depreciated, net Business-type Activities	3,684,495	(123,593)	-	3,560,902
Capital Assets, net	<u>\$ 5,292,422</u>	<u>\$ 243,496</u>	<u>\$ -</u>	<u>\$ 5,535,918</u>

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For Year Ended December 31, 2019**  
**(Continued)**

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

Governmental Activities:	
General Government	\$ 31,923
Public Safety	16,268
Public Works	5,179
Culture and Recreation	<u>(15,008)</u>
	<u>\$ 38,362</u>

**5. LONG-TERM DEBT**

Long-term debt activity for the year ended December 31, 2019 is summarized as follows:

	Outstanding 12-31-18	Additions	Reductions	Outstanding 12-31-19	Due in One Year
<i>Governmental Activities</i>					
USDA Notes Payable	\$ 1,275	\$ -	\$ (1,275)	\$ -	\$ -
Pension Accrual	123,054		(123,054)	-	-
Governmental Activities Long-Term Debt	<u>\$ 124,329</u>	<u>\$ -</u>	<u>\$ (124,329)</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Business-Type Activities</i>					
Water and Sewer					
1990 Revenue Bonds	\$ 388,830	\$ -	\$ -	\$ 388,830	\$ 12,386
2016 Revenue Bonds	2,492,568	-	-	\$ 2,492,568	47,622
GEFA Note Payable	1,271,942	313,291	(62,659)	\$ 1,522,574	-
	4,153,340	313,291	(62,659)	4,403,972	60,008
Pension	27,012		(27,012)	-	-
Business-Type Activities Long-Term Debt	<u>\$ 4,180,352</u>	<u>\$ 313,291</u>	<u>\$ (89,671)</u>	<u>\$ 4,403,972</u>	<u>\$ 60,008</u>
<b>Total</b>	<u>\$ 4,304,681</u>	<u>\$ 313,291</u>	<u>\$ (214,000)</u>	<u>\$ 4,403,972</u>	<u>\$ 60,008</u>

**Governmental Activities Debt**

The City borrowed \$24,000 from USDA to update communications equipment. This note bears interest at 3.5% and is payable in annual installments.

**Business-Type Activities Debt**

The City's Water & Sewer Fund borrowed funds for capital construction through the issuance of revenue bonds. Revenues from utility operations are pledged as collateral on these bonds.

1990 Revenue Bonds were issued in 1997 in the amount of \$550,000. They bear interest at 4.5% and are due in annual installments. The sinking fund requirements for these bonds are in compliance.

2019 Series Revenue Bonds were issued in 2019 in the amount of \$2,531,000. They bear interest at

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For Year Ended December 31, 2019**  
**(Continued)**

1.875% and are due in annual installments. The sinking fund requirements for these bonds are in compliance.

The City received a loan commitment from Georgia Environmental Finance Authority for \$2,500,000 for sewer system improvements. This loan bears interest at 1.70%. When all the commitment is utilized, GEFA will forgive \$500,000 of the draw. The resulting note for \$2,000,000 will be repaid over 360 months. Management is committed to completing the project, therefor the \$500,000 forgiveness is being prorated and recognized as the work progresses. This note was not ready for amortization at year end, so it is not included in debt service requirements.

The GEFA note is secured by the full faith and credit of the City. In the loan agreement, the City agreed to increase property taxes if needed to repay the loan.

Debt service requirements to maturity for established long-term debt are as follows:

Year Ending June 30,	Governmental-Type		Business-Type	
	Principal	Interest	Principal	Interest
2020	\$ -	\$ -	\$ 60,008	\$ 63,831
2021	-	-	61,461	62,395
2022	-	-	62,956	60,917
2023	-	-	64,495	59,396
2024	-	-	66,075	57,834
2025-2029	-	-	350,751	264,009
2030-2034	-	-	397,507	217,253
2035-2039	-	-	451,885	162,875
2040-2044	-	-	360,396	112,150
2045-2049	-	-	389,183	77,077
2050-2054	-	-	427,403	38,857
2055-2057	-	-	189,278	4,036
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,881,398</u>	<u>\$ 1,180,630</u>

**6. RISK MANAGEMENT**

The Governmental Accounting Standards Board (GASB) issued Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which establishes standard accounting and financial reporting practices for public entity risk pools and governmental entities. The following disclosures are offered in accordance with GASB 10.

The City is exposed to various forms of risk of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City accounts for risk financing activities in the General fund. The City purchases insurance from the commercial insurance market for all risk categories except natural disasters, for which the City is self-insured. Because of no



**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For Year Ended December 31, 2019**  
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recent history of loss from natural disasters, no estimated liability has been recorded.

There have been no decreases in insurance coverage. from the prior year. Settled claims have not exceeded commercial excess coverage in any of the past three years.

The City is also a member of the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The liability of the Fund to the employees of the City is specifically limited to such obligations as are imposed by applicable state laws against the City for workers' compensation and/or liability.

As a part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with and coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The Fund is to defend, in the name of and on behalf of the members, any suit or other proceedings which may at any time be instituted against them on account of injuries or death within the purview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding or compensation therefor, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgement, and all expenses incurred for investigation, negotiation or defense.

## **7. EMPLOYEE BENEFITS**

### **Defined Benefit Pension Plan**

The City contributes to a defined benefit pension plan for all of its full-time employees through the Georgia Municipal Employees Benefit System, an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association (GMA). The Public Retirement Systems Standard Law (OCGA 47-20-10) assigns the authority to establish and amend the plan to the City. GMA issues a publicly available financial report that includes the financial statements and required supplementary information for GMBEBS. That report may be obtained by writing to GMBEBS, 201 Pryor St., SW, Atlanta, Georgia 30303. The financial information contained here is as of the most recent actuarial valuation date of July 1, 2019.

Eligibility-To be eligible, employees must have completed one year of full-time employment. Full time means working a minimum of 20 hours per week. Vesting is scheduled over a ten-year period, with full vesting at the end of ten years.

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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Membership in the plan at December 31, 2019 is as follows:

Active Plan Members	0
Retirees and Beneficiaries	19
Vested Former Participants	28
	47

For the year ended December 31, 2019, the City's total payroll for all employees was \$498,586. Total covered payroll was \$487,127. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan.

**Contributions:** Required contributions are determined by the City Council based on actuarial calculations performed by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The plan is noncontributory, meaning the employees may not make contributions to the Plan.

**Net Pension Liability:** The City's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of March 31, 2019. The total pension liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Return on Investments	7.50%	net of plan investment expense, including inflation
Inflation	2.75%	
Social Security Wage Base	2.75%	

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study as of September 2017. In addition, mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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The long-term expected rate of return on Plan investments was determined using a building block method in which the 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 weighing 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 March 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long -Term Expected Real Rate of Return
Domestic Equity	45.00%	6.71%
International Equity	20.00%	7.71%
Real Estate	10.00%	5.21%
Global Fixed Income	5.00%	3.36%
Domestic Fixed Income	20.00%	2.11%
Cash	<u>0.00%</u>	
Total	<u>100.00%</u>	

*Discount Rate:* The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employer will be made at the current contractually required rates, actuarially determined.

*Changes in Net Pension Liability:* Changes in the City's net pension liability for the year ended December 31, 2019 were as follows:

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances--Beginning 3-31-18	\$ 1,053,615	\$ 903,549	\$ 150,066
Changes for the Year:			
Service Cost	20,973.00	-	20,973.00
Interest Expense	78,228.00	-	78,228.00
Differences between expected and actual experience	(75,348.00)	-	(75,348.00)
Contributions--employer		23,908.00	(23,908.00)
Contributions--employee			-
Net Investment Income		31,659.00	(31,659.00)
Benefit Payments	(63,085.00)	(63,085.00)	-
Plan Administrative Expenses		(8,126.00)	8,126.00
Other Changes	(128,027.00)	-	(128,027.00)
Net Changes	<u>(167,259.00)</u>	<u>(15,644.00)</u>	<u>(151,615.00)</u>
Balances--Ending 3-31-19	<u>\$ 886,356</u>	<u>\$ 887,905</u>	<u>\$ (1,549)</u>

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For Year Ended December 31, 2019**  
**(Continued)**

*Sensitivity of the Net Pension Liability to Changes in the discount Rate:* The following presents the net pension liability calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate 1-percentage point lower or 1-percentage point higher than the current rate.

	Discount Rate	Net Pension Liability
1% Increase	8.50%	\$ (82,074)
Current Discount Rate	7.50%	\$ (1,549)
1% Decrease	6.50%	\$ 93,922

*Plan Fiduciary Net Position:* Detailed information about the Plan's fiduciary net position is available in the separately issued Plan financial report.

*Pension Expense, Deferred Outflows of Financial resources, and Deferred Inflows of Resources:* For the year ended December 31, 2019, the City recognized pension expense of \$16,516. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow	Deferred Inflow
Deferred Outflow		
Investment	\$ 38,780	\$ 38,081
Demographic	63,210	27,869
Assumption change	7,082	-
	<u>\$ 109,072</u>	<u>\$ 65,950</u>

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

	Deferred Outflow	Deferred Inflow
2020	\$ 53,325	\$ 42,992
2021	42,013	15,123
2022	6,867	7,835
2023	6,867	-
Total	<u>\$ 109,072</u>	<u>\$ 65,950</u>

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For Year Ended December 31, 2019**  
**(Continued)**

**Other Pension Plans**

The City's employees are participants in a retirement plan managed by a special Fund created by the Georgia Legislature. The Plan in which the City's employees participate is the Peace Officers Annuity and Benefit Fund (POAB). The City makes transfer payments to the plan Administrators, and the Administrators make contributions to the Plans for the participating employees. For the year ended December 31, 2019, the City's contributions and participation amounts were not material to these financial statements and therefore no provision has been made for it.

**Other Retirement Plans**

As of 2019, the City contributes to a Roth IRA in the name of the individual employee. Contributions consist of 4.5% of eligible compensation.

**8. COMMITMENTS AND CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The City attorney advises that there are no legal actions that were in progress by or against the City at December 31, 2019.

The City does not contribute to State Unemployment funds. Instead, the City directly reimburses the State for unemployment benefits actually paid during each year. At December 31, 2018 there were no unpaid claims that City management believes to be material.

**9. INTERFUND BALANCES AND TRANSFERS**

Interfund transfers at December 31, 2019 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	
Water Fund	Sewer Fund	<u>\$ 133,885</u>

The transfers made between the Water Fund, Sewer Fund, Solid Waste Fund and the General Fund were to provide for temporary cash flow needs.

**10. JOINT VENTURE**

Under Georgia law, the City, in conjunction with the other municipalities and county governments in a twelve county area, was a member in the Three Rivers Regional Commission (RC) as of December 31, 2019. Under the law, the City is required to pay dues thereto. During the year ended December 31, 2019, the City paid \$914 in such dues. Membership in the Commission is required under O.C.G.A. Section 50-8-34. The Commission governing board includes the chief elected official of each county

and one municipality included in the RC area. Member governments are liable for any debts or obligations incurred by the RC. Separate RC financial statements may be obtained from:

Three Rivers Regional Commission PO Box 1600  
Franklin, GA 30217

### 11. SPECIAL PURPOSE LOCAL OPTION SALES TAX

The City receives SPLOST from Meriwether County from time to time for various capital outlay projects as approved in voter referendums. Meriwether County collects the SPLOST and pays for projects directly instead of first transferring the money to the City. Expenditures for these projects are as follows:

#### 2008 SPLOST

	Original Estimated	Current Estimated	Prior Expenditures	Current Expenditures	Total
Government Buildings	\$ 262,000.00	\$ 262,000.00	\$ 238,394.00	\$ -	\$ 238,394.00
Public Works Equipment	6,000.00	6,000.00	1,089.00		\$ 1,089.00
Public Works Infrastructure	78,000.00	78,000.00	78,000.00		\$ 78,000.00
Public Safety	30,000.00	30,000.00	26,021.00		\$ 26,021.00
Recreation Facilities	275,000.00	275,000.00	298,885.00		\$ 298,885.00
Water Facilities	148,724.00	148,724.00	209,618.00		\$ 209,618.00
	<u>\$ 799,724.00</u>	<u>\$ 799,724.00</u>	<u>\$ 852,007.00</u>	<u>\$ -</u>	<u>\$ 852,007.00</u>

#### 2014 SPLOST

	Original Estimated	Current Estimated	Prior Expenditures	Current Expenditures	Total
City Hall Renovations	\$ 190,367.00	\$ 262,719.00	\$ 262,719.00	\$ -	\$ 262,719.00
Public Works	46,930.00	20,000.00	16,880.00		\$ 16,880.00
Public Safety	65,000.00	65,000.00	64,704.00		\$ 64,704.00
Recreation Facilities	64,575.00	30,000.00	28,900.00		\$ 28,900.00
Water Facilities	25,830.00	25,830.00	-		\$ -
	<u>\$ 392,702.00</u>	<u>\$ 403,549.00</u>	<u>\$ 373,203.00</u>	<u>\$ -</u>	<u>\$ 373,203.00</u>

### 12. EXPENDITURES EXCEEDING APPROPRIATIONS

City expenditures exceeded the amounts appropriated as follows:

General Government	\$	-
Culture and Recreation	\$	-

The overages were due to unforeseen changes in expenditures and were funded by underspending the budget in other categories.

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For Year Ended December 31, 2019**

**Budgetary Accounting**

The City budgets its operations on an annual basis for the General Fund. The proposed budget is prepared each year by a Budget Committee composed of the Mayor and Council. Public hearings are held to discuss the proposed budget and to obtain input from the citizens of Woodbury. The final proposed budget is presented at a City Council meeting for final passage prior to December 31. The final budget is adopted at public meeting.

The City prepares its budget on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - presents a comparison of budgetary data to actual results of operations for which annual operating budgets are legally adopted. Revenues are budgeted by source and expenditures are budgeted by department and class as follows: General government, Public Safety, Public works, and Culture and Recreation. This constitutes the legal level of control. General Fund expenditures for capital outlay are budgeted with the respective departments rather than being separately reported. Expenditures may not exceed appropriations at this level except for matching funds required by granters. All budget revisions at this level are subject to final review by the Council. Within these control levels, management may transfer appropriations without Council approval, with the exception of salary amounts.

The City spent more than appropriated as follows:

General Government	\$	-
Culture and Recreation	\$	-

*Encumbrances*

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to *reserve* that portion of the applicable appropriation - is utilized in the governmental funds. There were no outstanding encumbrances at year-end.

**Notes to Schedule of Contributions**

*Valuation Date*

The actuarial determined contribution was determined as of July 1, 2019, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending December 31, 2019.

**CITY OF WOODBURY, GEORGIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**General Funds**  
**For the Year Ended December 31, 2019**

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Taxes	\$ 739,334	\$ 739,334	\$ 772,282
Charges for services			42,149
Licenses and permits			38,800
Fines and forfeitures	90,500	90,500	115,717
Interest			3
Other	174,800	174,800	37,974
Total revenues	<u>1,004,634</u>	<u>1,004,634</u>	<u>1,006,925</u>
<b>EXPENDITURES</b>			
Current			
General government	443,395	443,395	379,972
Public safety	377,299	377,299	380,266
Public works	175,440	175,440	185,545
Culture and recreation	6,500	6,500	7,075
Debt service	2,000	2,000	1,311
Total expenditures	<u>1,004,634</u>	<u>1,004,634</u>	<u>954,169</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>52,756</u>
Net change in fund balances	-	-	
Fund balance beginning	<u>305,020</u>	<u>305,020</u>	<u>305,020</u>
Fund balance at end of year	<u>\$ 305,020</u>	<u>\$ 305,020</u>	<u>\$ 357,776</u>

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



**CITY OF WOODBURY, GEORGIA**  
**PENSION PLAN**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Two Fiscal Years Ended**

	<b>2019</b>	<b>2018</b>
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 20,973	\$ 15,691
Interest	78,228	66,714
Diff. expected and actual	(75,348)	126,421
Changes in assumptions	(128,027)	14,164
Benefit payments	(63,085)	(60,400)
Net change	(167,259)	162,590
Total liability beginning	1,053,615	891,025
Total liability ending	\$ 886,356	\$ 1,053,615
 <b>PLAN FIDUCIARY NET POSITION</b>		
Contributions Employer	\$ 23,908	\$ 35,982
Net investment income	31,659	102,467
Benefit payments	(63,085)	(60,400)
Administrative expense	(8,126)	(6,779)
Net change	(15,644)	71,270
Fiduciary net position beginning	903,549	832,279
Fiduciary net position ending	\$ 887,905	\$ 903,549
 <b>NET PENSION LIABILITY ENDING</b>	<b>\$ (1,549)</b>	<b>\$ 150,066</b>
Plan fiduciary net position		
as a percentage of total pension liability	100.17%	85.76%
Covered employee payroll	* \$ 487,127	\$ 487,127
Plan fiduciary net position		
as a percentage of covered payroll	-0.32%	30.81%

\* March 31, 2018 figures were used due to the plan being frozen as of January 1, 2019.

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

**CITY OF WOODBURY, GEORGIA**  
**Schedule of contributions**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	*	\$ 27,250	41,921
Contributions in relation to the actuarially determined contribution	*	26,179	41,921
Contribution deficiency (excess)	*	1,071	-
Covered employee payroll	*	487,127	370,647
Covered as a percentage of covered employee payroll	*	5.37%	11.31%

(Historical information prior to implementation of GASB 67/68 is not required)

\* 2019 information was not determined as of the report date and will be included in the 2020 valuation report.

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For Year Ended December 31, 2019**

*Methods and Assumptions \_to Determine Contribution Rates*

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 14years
Asset valuation method	Sum of actuarial value at beginning and the cash flow during the year plus assumed investment rate of return, adjusted for 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

*Actuarial Assumptions*

Cost of living adjustments	0%
Salary increases	2.75%
Investment rate of return	7.50%
Retirement age	In the 2019 actuarial valuation, expected retirement ages were adjusted to more closely reflect actual experience
Mortality	In the 2019 actuarial valuation, assumed expectancies were adjusted as a result of adopting the RP-2000 Healthy Annuitant Mortality Table with sex-distinct rates

*Changes in Assumptions*

Amounts reported for the fiscal year ending in 2019 and later reflect the following assumption changes based on an actuarial study conducted in September 2018:

The investment return assumption was decreased from 7.75% to 7.50% The inflation assumption was decreased from 3.25% to 2.75%.

*Benefit Changes*

There were no changes in benefit provisions in the last two fiscal years.

**CITY OF WOODBURY, GEORGIA  
 COMBINING BALANCE SHEET  
 Non Major Governmental Funds  
 December 31, 2019**

	<b>Capital Projects</b>
	<b>2008 SPLOST</b>
<b>ASSETS</b>	
Cash	\$ 260
Due from other funds	-
Accounts receivable	-
	-
Total Assets	260
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Unearned revenue	-
	-
Total liabilities	-
 <b>FUND BALANCES</b>	
Restricted	260
	260
Total liabilities and fund balance	260

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

**CITY OF WOODBURY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**Non Major Governmental Funds**  
**For the Years Ended December 31, 2019**

	<b>Capital Projects</b>
	<b>2008 SPLOST</b>
<b>REVENUES</b>	
Interest	\$ -
Intergovernmental	-
Total revenues	-
<b>EXPENDITURES</b>	
Public works	40
Capital outlay	-
Total expenditures	40
Excess (deficiency) of revenues over (under) expenditures	(40)
Other financing sources	
Transfer in	-
Transfer out	-
Total other financing sources	\$ -
Net change in fund balances	(40)
Fund balances (deficit) at beginning	300
Fund balance at end of year	\$ 260

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

**CITY OF WOODBURY, GEORGIA**  
**Schedule of Expenditures of Federal Awards**  
**for the Year Ended December 31, 2019**

<u>Grantor</u>	<u>CFDA Number</u>	<u>Pass- Through Entity Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<b>Environmental Protection Agency</b>				
Revolving Loan Program				
GEFA Loan CW2016031		--	\$ -	\$ 1,042,221
Total Expenditures of Federal Awards			\$ -	\$ 1,042,221

**CITY OF WOODBURY, GEORGIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2019**

**NOTE 1-BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Woodbury, Georgia under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule only presents a selected portion of the operations of the City of Woodbury, Georgia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Woodbury, Georgia.

**NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3-INDIRECT COST RATE**

The City of Woodbury, Georgia did not use an indirect cost rate. **NOTE 4-LOAN BALANCES**

Loan advances	
Federal	\$ 1,042,221
State	32,603
Other	<u>515,103</u>
 Total advanced on loan	 1,589,927
Debt forgiveness	<u>(317,985)</u>
 Balance of loan at 12-31-19	 <u>\$ 1,271,942</u>

**CITY OF WOODBURY, GEORGIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2019**

**FINDINGS-FINANCIAL STATEMENT AUDIT**

**2016-1 Segregation of Duties**

*Condition:* During my audit I noted that many transactions are processed from start to end by one individual.

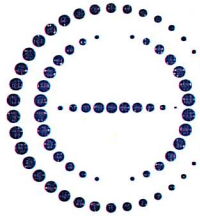
*Current Status:* The condition has been limited by compensating controls in a number of areas. However, there are still areas lacking in significant control

**2016-2 Budget Monitoring**

*Condition:* The City's expenditures exceeded appropriations in a budget category during the year. This condition was not detected by management.

*Current Status:* The City was unable to successfully correct this condition.





# CEDAR HILL

CPAS AND ADVISORS

## AUDITORS' 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 Mayor and Council  
City of Woodbury  
Woodbury, Georgia

I 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, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Woodbury, Georgia as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise City of Woodbury, Georgia's basic financial statements and have issued my report thereon dated October 16, 2020.

### **Internal Control Over Financial Reporting**

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

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

My consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-1, that I consider to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Woodbury, Georgia's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*.

## **City of Woodbury, Georgia's response Findings**

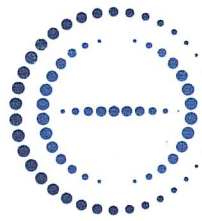
The City of Woodbury, Georgia's responses to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. City of Woodbury, Georgia's response was not subjected to the auditing procedures applied in the audit of the City's financial statements and, accordingly, I express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cedar Hill CPA's and Advisors*

Cataula, Georgia  
October 16, 2020



**CEDAR HILL**  
CPAS AND ADVISORS

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

To the Mayor and Council  
City of Woodbury  
Woodbury, Georgia

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

We have audited City of Woodbury, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Woodbury, Georgia's major federal programs for the year ended December 31, 2019 . City of Woodbury, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of City of Woodbury, Georgia's major federal programs based on my audit of the types of compliance requirements referred to *above*. I conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. Ari audit includes examining, on a test basis, evidence about City of Woodbury, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Woodbury, Georgia's compliance.

## Opinion on Each Major Federal Program

In my opinion, City of Woodbury, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

## Report on Internal Control over Compliance

Management of City of Woodbury, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the City of Woodbury, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of City of Woodbury, Georgia's internal control over compliance.

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Cedar Hill CPA's and Advisors*

Cataula, Georgia  
October 16, 2020

**CITY OF WOODBURY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2019**

**SUMMARY OF AUDITOR'S RESULTS**

- i. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Woodbury, Georgia were prepared in accordance with GMP.
- ii. One deficiency disclosed during the audit of the financial statements is reported below in the Findings section.
- iii. No instances of noncompliance material to the financial statements of the City of Woodbury, which would be required to be reported in accordance with Government Auditing Standards were disclosed during the audit.
- iv. No deficiencies, significant deficiencies, or material weaknesses in internal control over major federal award programs were disclosed during the audit.
- v. The auditor's report on compliance for the major federal award programs for the City of Woodbury, Georgia expresses an unmodified opinion on all major federal award programs.
- vi. The audit did not disclose any audit findings over major programs that are required to be reported.
- vii. The program tested as a major program was EPA Revolving Loan Program CFDA 66.458.
- viii. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- ix. The City of Woodbury, Georgia did not meet the criteria to qualify as a low risk auditee.

**FINDINGS-FINANCIAL STATEMENT AUDIT**

**2018-1 Bank Reconciliation**

*Condition:* My audit revealed that monthly bank reconciliations for the two main operating bank accounts were not properly reconciled to the general ledgers.

*Criteria:* Bank reconciliations must clearly identify all reconciling items and prove agreement with general ledger account balances.

*Cause:* The City began utilizing a new software system in the year and the proper reconciling reports were not set up in the conversion. The bank reconciliations do not reflect the correct checkbook balances, but the system spreads the account balances across funds.

*Effect:* Failure to review detailed bank reconciliations could result in errors in general ledger reporting of cash in bank balances.

*Recommendation:* The City should revise its bank reconciliation schedule to insure the reconciliation balances with the general ledger.

*Response:* The City agrees with the finding and will correct the reconciliation format.

**FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None.