

CITY OF BLOOMINGDALE, GEORGIA

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**



CITY OF BLOOMINGDALE, GEORGIA

FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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CITY OF BLOOMINGDALE, GEORGIA

FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Bloomingdale, Georgia
Bloomingdale, 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 Bloomingdale, Georgia** (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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.

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, 2021, 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 (Asset) and Related Ratios (on pages 39 and 40), the Schedule of City Contributions – Retirement Plan (on pages 41 and 42), and the Schedule of Investment Returns – Retirement Plan (on pages 43 and 44), 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 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 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 and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for purpose of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121 and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of 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 and schedules and the schedule of expenditures of 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 August 9, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
August 9, 2022

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BASIC FINANCIAL STATEMENTS

CITY OF BLOOMINGDALE, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2021

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 4,103,640	\$ 1,888,736	\$ 5,992,376
Receivables, net	453,191	155,107	608,298
Due from other governments	20,225	-	20,225
Internal balances	290,877	(290,877)	-
Restricted assets, cash and cash equivalents	26,407	70,129	96,536
Net pension asset	121,308	10,147	131,455
Capital assets:			
Non-depreciable	1,194,403	59,335	1,253,738
Depreciable, net of accumulated depreciation	4,830,020	2,421,014	7,251,034
Total assets	11,040,071	4,313,591	15,353,662
LIABILITIES			
Accounts payable	164,067	9,287	173,354
Accrued liabilities	1,273	778	2,051
Customer deposits	26,407	70,129	96,536
Compensated absences due within one year	41,706	1,218	42,924
Compensated absences due in more than one year	50,975	1,489	52,464
Total liabilities	284,428	82,901	367,329
DEFERRED INFLOWS OF RESOURCES			
Pension	249,101	20,836	269,937
NET POSITION			
Investment in capital assets	6,024,423	2,480,349	8,504,772
Restricted for capital projects	993,655	-	993,655
Restricted for public safety	8,807	-	8,807
Unrestricted	3,479,657	1,729,505	5,209,162
Total net position	\$ 10,506,542	\$ 4,209,854	\$ 14,716,396

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

CITY OF BLOOMINGDALE, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 890,442	\$ 59,238	\$ -	\$ -
Public safety	1,702,421	905,959	274,772	-
Public works	1,100,913	606,478	55,721	746,655
Judicial	125,802	-	-	-
Culture and recreation	340,330	62,869	-	-
Housing and development	63,218	-	-	-
Total governmental activities	<u>4,223,126</u>	<u>1,634,544</u>	<u>330,493</u>	<u>746,655</u>
Business-type activities				
Water and sewer	705,305	822,040	-	1,000
Total business-type activities	<u>705,305</u>	<u>822,040</u>	<u>-</u>	<u>1,000</u>
Total primary government	<u>\$ 4,928,431</u>	<u>\$ 2,456,584</u>	<u>\$ 330,493</u>	<u>\$ 747,655</u>

General revenues
 Sales taxes for general purposes
 Intangible, transfer and franchise taxes
 Alcoholic beverage taxes
 Unrestricted investment earnings
 Gain on sale of capital assets
 Miscellaneous
 Total general revenues
 Change in net position
 Net position, beginning of year
 Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (831,204)	\$ -	\$ (831,204)
(521,690)	-	(521,690)
307,941	-	307,941
(125,802)	-	(125,802)
(277,461)	-	(277,461)
(63,218)	-	(63,218)
<u>(1,511,434)</u>	<u>-</u>	<u>(1,511,434)</u>
-	117,735	117,735
-	117,735	117,735
<u>(1,511,434)</u>	<u>117,735</u>	<u>(1,393,699)</u>
347,091	-	347,091
1,220,629	-	1,220,629
305,127	-	305,127
6,471	4,032	10,503
2,796	-	2,796
203,393	128,874	332,267
<u>2,085,507</u>	<u>132,906</u>	<u>2,218,413</u>
574,073	250,641	824,714
9,932,469	3,959,213	13,891,682
<u>\$ 10,506,542</u>	<u>\$ 4,209,854</u>	<u>\$ 14,716,396</u>

CITY OF BLOOMINGDALE, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2021

ASSETS	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 3,159,622	\$ 923,375	\$ 20,643	\$ 4,103,640
Receivables, net	330,087	123,104	-	453,191
Inventories	20,225	-	-	20,225
Due from other funds	35,597	11,526	-	47,123
Advances to other funds	267,116	-	-	267,116
Restricted cash and cash equivalents	26,407	-	-	26,407
Total assets	<u>\$ 3,839,054</u>	<u>\$ 1,058,005</u>	<u>\$ 20,643</u>	<u>\$ 4,917,702</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 159,318	\$ 4,749	\$ -	\$ 164,067
Accrued liabilities	1,273	-	-	1,273
Due to other governments	-	-	-	-
Customer deposits	26,407	-	-	26,407
Due to other funds	11,526	-	11,836	23,362
Total liabilities	<u>198,524</u>	<u>4,749</u>	<u>11,836</u>	<u>215,109</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	<u>-</u>	<u>59,601</u>	<u>-</u>	<u>59,601</u>
FUND BALANCES				
Nonspendable:				
Inventories	20,225	-	-	20,225
Restricted for:				
Capital projects	-	993,655	-	993,655
Public safety	-	-	8,807	8,807
Unassigned	<u>3,620,305</u>	<u>-</u>	<u>-</u>	<u>3,620,305</u>
Total fund balances	<u>3,640,530</u>	<u>993,655</u>	<u>8,807</u>	<u>4,642,992</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,839,054</u>	<u>\$ 1,058,005</u>	<u>\$ 20,643</u>	<u>\$ 4,917,702</u>

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

CITY OF BLOOMINGDALE, GEORGIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total governmental fund balances.	\$	4,642,992
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		6,024,423
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences		(92,681)
Net pension asset		121,308
Certain pension related deferred inflows are not reported in the funds.		(249,101)
Certain revenues are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.		<u>59,601</u>
Net position of governmental activities.	\$	<u><u>10,506,542</u></u>

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

CITY OF BLOOMINGDALE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 1,905,437	\$ -	\$ -	\$ 1,905,437
Licenses and permits	59,238	-	-	59,238
Intergovernmental	321,609	744,834	-	1,066,443
Fines and forfeitures	349,114	-	-	349,114
Charges for services	1,226,193	-	8,884	1,235,077
Interest income	6,471	1,820	-	8,291
Miscellaneous	203,307	31	55	203,393
Total revenues	<u>4,071,369</u>	<u>746,685</u>	<u>8,939</u>	<u>4,826,993</u>
Expenditures				
Current:				
General government	749,064	-	-	749,064
Judicial	124,677	-	-	124,677
Public safety	1,591,242	-	725	1,591,967
Public works	850,548	-	-	850,548
Culture and recreation	270,204	-	-	270,204
Housing and development	63,218	-	-	63,218
Capital outlay	-	579,347	-	579,347
Total expenditures	<u>3,648,953</u>	<u>579,347</u>	<u>725</u>	<u>4,229,025</u>
Excess of revenues over expenditures	<u>422,416</u>	<u>167,338</u>	<u>8,214</u>	<u>597,968</u>
Other financing sources (uses)				
Transfers in	-	8,600	-	8,600
Transfers out	(8,600)	-	-	(8,600)
Total other financing sources (uses), net	<u>(8,600)</u>	<u>8,600</u>	<u>-</u>	<u>-</u>
Net change in fund balances	413,816	175,938	8,214	597,968
Fund balances, beginning of year	<u>3,226,714</u>	<u>817,717</u>	<u>593</u>	<u>4,045,024</u>
Fund balances, end of year	<u>\$ 3,640,530</u>	<u>\$ 993,655</u>	<u>\$ 8,807</u>	<u>\$ 4,642,992</u>

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

CITY OF BLOOMINGDALE, 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, 2021

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

Net change in fund balances - total governmental funds.	\$	597,968
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:		
Capital outlay		481,807
Depreciation expense		(486,899)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(32,590)
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:		
Compensated absences		3,837
Net pension liability, deferred outflows of resources, and deferred inflows of resources related to the pension plan		9,950
Change in net position - governmental activities	\$	<u>574,073</u>

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

CITY OF BLOOMINGDALE, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,497,716	\$ 1,497,716	\$ 1,905,437	\$ 407,721
Licenses and permits	34,240	34,240	59,238	24,998
Intergovernmental	202,104	202,104	321,609	119,505
Fines and forfeitures	637,000	637,000	349,114	(287,886)
Interest	15,000	15,000	6,471	(8,529)
Charges for services	1,002,000	1,002,000	1,226,193	224,193
Miscellaneous	223,875	223,875	203,307	(20,568)
Total revenues	3,611,935	3,611,935	4,071,369	459,434
Expenditures				
Current				
General government:				
Mayor and council	16,300	16,300	18,818	(2,518)
Administration	563,338	563,338	730,246	(166,908)
Total general government	579,638	579,638	749,064	(169,426)
Judicial:				
Municipal court	126,464	126,464	124,677	1,787
Total judicial	126,464	126,464	124,677	1,787
Public safety:				
Police	1,309,745	1,309,745	1,137,124	172,621
Fire	456,217	456,217	454,118	2,099
Total public safety	1,765,962	1,765,962	1,591,242	174,720
Public works:				
Public maintenance	822,041	822,041	850,548	(28,507)
Total public works	822,041	822,041	850,548	(28,507)
Culture and recreation:				
Recreation	234,617	234,617	270,204	(35,587)
Total culture and recreation	234,617	234,617	270,204	(35,587)
Housing and development:				
Building and zoning	83,213	83,213	63,218	19,995
Total housing and development	83,213	83,213	63,218	19,995
Total expenditures	3,611,935	3,611,935	3,648,953	(37,018)
Excess of revenues over expenditures	-	-	422,416	422,416
Other financing uses				
Transfers out	-	-	(8,600)	(8,600)
Total other financing uses	-	-	(8,600)	(8,600)
Net change in fund balances	-	-	413,816	413,816
Fund balances, beginning of year	3,226,714	3,226,714	3,226,714	-
Fund balances, end of year	\$ 3,226,714	\$ 3,226,714	\$ 3,640,530	\$ 413,816

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

CITY OF BLOOMINGDALE, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUND JUNE 30, 2021

ASSETS	Water and Sewer Fund
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,888,736
Restricted cash and cash equivalents	70,129
Accounts receivable, net	155,107
Total current assets	<u>2,113,972</u>
NON-CURRENT ASSETS	
Net pension asset	10,147
Capital assets	
Non-depreciable	59,335
Depreciable, net of accumulated depreciation	2,421,014
Total non-current assets	<u>2,490,496</u>
Total assets	<u>4,604,468</u>
LIABILITIES	
CURRENT LIABILITIES, PAYABLE	
FROM CURRENT ASSETS	
Accounts payable	9,287
Other accrued liabilities	778
Due to other funds	23,761
Current portion of compensated absences	1,218
Total current liabilities, payable from current assets	<u>35,044</u>
CURRENT LIABILITIES, PAYABLE	
FROM RESTRICTED ASSETS	
Customer deposits	70,129
Total current liabilities, payable from restricted assets	<u>70,129</u>
LONG-TERM LIABILITIES	
Advance from other funds	267,116
Compensated absences	1,489
Total long-term liabilities	<u>268,605</u>
Total liabilities	<u>373,778</u>
DEFERRED INFLOWS OF RESOURCES	
Pension	<u>20,836</u>
NET POSITION	
Investment in capital assets	2,480,349
Unrestricted	1,729,505
Total net position	<u>\$ 4,209,854</u>

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

CITY OF BLOOMINGDALE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Water and Sewer Fund
OPERATING REVENUE	
Water charges	\$ 361,034
Sewer charges	461,006
Other income	128,874
Total operating revenues	<u>950,914</u>
OPERATING EXPENSES	
Water operating expenses:	
Personal services	88,801
Purchased and contracted services	49,708
Materials and supplies	76,564
Interfund charges	37,564
Depreciation	54,368
Total operating expenses - water	<u>307,005</u>
Sewer operating expenses:	
Personal services	94,092
Purchased and contracted services	75,622
Materials and supplies	92,787
Interfund charges	37,564
Depreciation	64,572
Amortization	33,663
Total operating expenses - sewer	<u>398,300</u>
Total operating expenses	<u>705,305</u>
Operating income	<u>245,609</u>
NON-OPERATING REVENUES	
Interest income	4,032
Total non-operating revenues	<u>4,032</u>
Income before capital contributions	<u>249,641</u>
CAPITAL CONTRIBUTIONS	
Change in net position	1,000
	<u>250,641</u>
Net position, beginning of year	<u>3,959,213</u>
Net position, end of year	<u><u>\$ 4,209,854</u></u>

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

CITY OF BLOOMINGDALE, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 900,225
Payments to suppliers	(435,240)
Payments to employees	(176,705)
Net cash provided by operating activities	<u>288,280</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions	<u>1,000</u>
Net cash provided by capital and related financing activities	<u>1,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>4,032</u>
Net cash provided by investing activities	<u>4,032</u>
Net increase in cash	293,312
Cash and cash equivalents, beginning of year	<u>1,665,553</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,958,865</u></u>
Classified as:	
Cash and cash equivalents	\$ 1,888,736
Restricted current cash and cash equivalents	<u>70,129</u>
	<u><u>\$ 1,958,865</u></u>

(Continued)

CITY OF BLOOMINGDALE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Water and Sewer Fund</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 245,609
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	152,603
Change in assets and liabilities:	
Increase in accounts receivable	(66,321)
Increase in net pension asset	(16,405)
Decrease in deferred outflows of resources	2,485
Increase in accounts payable	1,291
Decrease in accrued liabilities	(1,444)
Increase in customer deposits	15,632
Increase in compensated absences	1,394
Decrease in due to other funds	(65,278)
Increase in deferred inflows of resources	18,714
Net cash provided by operating activities	<u>\$ 288,280</u>

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

CITY OF BLOOMINGDALE, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2021

	Employees' Retirement Program Pension Fund
ASSETS	
Cash and cash equivalents	\$ 52,045
Investments, at fair value	
Exchange traded funds	2,122,264
Total assets	<u>\$ 2,174,309</u>
NET POSITION	
Held in trust for pension benefits	<u>\$ 2,174,309</u>

CITY OF BLOOMINGDALE, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Employees' Retirement Program Pension Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 116,115
Total contributions	
Net appreciation in fair value of investments	302,568
Investment income	41,680
Net investment earnings	<u>344,248</u>
Total additions	<u>460,363</u>
DEDUCTIONS	
Benefits paid to participants	47,472
Administrative expense	17,231
Total deductions	<u>64,703</u>
Change in net position	395,660
Net position, beginning of year	<u>1,778,649</u>
Net position, end of year	<u><u>\$ 2,174,309</u></u>

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

CITY OF BLOOMINGDALE, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Bloomingdale, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental 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. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member governing council (the "Council"). The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Currently, the City has no blended component units. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. Currently, the City has no discretely presented component units.

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 and its component units.

For the most part, the effect of interfund activity has been removed from these statements, however interfund services provided and used are not eliminated in the process of consolidation. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities.

Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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 considered 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 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 Special Purpose Local Option Sales Tax Fund ("SPLOST") is used to account for the revenues and expenditures relating to the 1% Special Purpose Local Option Sales Tax.

The City reports the following major proprietary fund:

The Water and Sewer Fund accounts for the activities necessary to provide water and sewer services to the City's residents.

Additionally, the City reports the following fund types:

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes.

The pension trust fund accounts for the accumulation of resources for pension benefit payments to qualified employees.

Amounts reported as program revenues include: 1) charges for services 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 enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

Annual appropriated budgets are adopted for all funds. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets of governmental funds are adopted on a modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America for governmental funds. All appropriations lapse at fiscal year-end. Encumbrance accounting (under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation) is not employed by the City.

E. Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition. State statutes authorize the City to invest in the following: 1) obligations of Georgia or any other state; 2) obligations of the United States; 3) obligations fully insured or guaranteed by the United States government or one of its agencies; 4) obligations of any corporation of the United States government; 5) prime bankers' acceptances; 6) the State of Georgia local government investment pool; 7) repurchase agreements; and 8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations. Investments are reported at fair value.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. 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 column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$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 their acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and system	50
Improvements other than buildings	20
Machinery and equipment	5 – 30
Vehicles	6
Infrastructure	10 – 65

I. Compensated Absences

Employees earn vacation leave at the rate of six days per year for the first year of service up to a maximum of 25 days per year after five years of service. A maximum of twenty days may be carried over into an employee's next service year. Any unused, accrued vacation leave in excess of twenty days from service year to service year will be forfeited. Employees resigning voluntarily and in good standing will be paid for earned but unused vacation leave. All vacation leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Employees accrue personal leave at the rate of four hours per month to a maximum of 48 hours per year. Employees are allowed to carry 80 to 160 hours personal leave based on year of services. An employee who resigns or is discharged from City service will not be paid for any unused personal leave. The City does not record a liability for vested personal leave benefits. Expenses are recognized in the financial statements at the time of payment.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Long-Term Obligations

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 issuance costs, are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the period incurred.

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. Premiums received on debt issuances are 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.

K. 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 Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

Fund Balance – (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.
- **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 positions are available.

L. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no deferred outflows of resources at year-end.

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, therefore, will not be recognized as an inflow of resources (revenue) until that time. The City has three 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 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 items relate 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 a deferred inflow of resources. Experience differences are deferred and amortized against pension expense over a five-year period, resulting in recognition as a deferred inflow of resources.

N. Pensions

For purposes of measuring the net pension liability (asset), 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 Bloomingdale Retirement Plan (the "Retirement Plan") and additions to/deductions from the Retirement Plan's fiduciary net position have been determined on the same basis as they are reported by the respective plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LEGAL COMPLIANCE – BUDGETS

A. Budgetary Information

All governmental fund budgets are prepared on a basis consistent with generally accepted accounting principles.

The appropriated budget is prepared by fund, function, and department. The City Council may transfer funds from one object or purpose to another within the same department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The City Council may amend the budget by motion during the fiscal year.

Budget appropriations presented in this report include all legally adopted appropriations as amended during the fiscal year.

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2021, expenditures exceeded appropriations at the legal level of budgetary control as follows:

General fund:

General government - Mayor and Council	\$	2,518
General government - Administration		166,908
Public works - Public maintenance		28,507
Culture and recreation - Recreation		35,587

These over expenditures were funded primarily by underspending in other departments and unbudgeted revenues.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2021, are summarized as follows:

Amounts as presented on the entity wide statement of net position:

Cash and cash equivalents	\$ 5,992,376
Restricted cash and cash equivalents	96,536

Amounts as presented on the statement of fiduciary net position:

Cash	52,045
Exchange traded funds	2,122,264
Total	<u>\$ 8,263,221</u>

Cash deposited with financial institutions	\$ 6,140,957
Investments in exchange traded funds	2,122,264
Total	<u>\$ 8,263,221</u>

As of June 30, 2021, the carrying amount of the City's deposits was \$6,088,912 and the bank balance was \$6,384,845.

Credit risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the City's policy to limit its investments to those allowed and authorized by state law.

As of June 30, 2021, the City had investments in Exchange-Traded Products ("ETPs") in the amount of \$2,122,264. All maturities for the ETPs were less than one year.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy generally limits all operating investments to instruments that mature within one year. Asset investment funds shall be diversified to eliminate risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer or a specific class of maturities.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal and state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2021, the City's deposits were fully collateralized in compliance with the state requirements.

Fair Value Measurements. All of the City's investments fall under Level 1 in the fair value hierarchy and are valued using prices quoted in active market for those securities.

NOTE 4. RECEIVABLES

In the governmental funds, the net receivables collected during the year ended June 30, 2021, and expected to be collected by August 31, 2021, are recognized as revenues for the year ended June 30, 2021, whereas, net receivables estimated to be collectible subsequent to August 31, 2021, are recorded as revenue when received.

Receivables at June 30, 2021, for the City's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	SPLOST	Water and Sewer	Total
Receivables				
Taxes	\$ 119,434	\$ -	\$ -	\$ 119,434
Accounts	375,653	-	155,999	531,652
Due from other governments	-	123,104	-	123,104
Less allowance for uncollectibles	(165,000)	-	(892)	(165,892)
Net total receivable	<u>\$ 330,087</u>	<u>\$ 123,104</u>	<u>\$ 155,107</u>	<u>\$ 608,298</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 1,131,404	\$ -	\$ -	\$ -	\$ 1,131,404
Construction in progress	62,999	-	-	-	62,999
Total	<u>1,194,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,194,403</u>
Capital assets, being depreciated:					
Buildings	1,870,849	75,413	-	-	1,946,262
Improvements other than buildings	966,647	-	-	-	966,647
Machinery and equipment	1,319,783	48,804	-	-	1,368,587
Vehicles	1,234,704	225,156	(201,450)	-	1,258,410
Infrastructure	4,752,129	132,434	-	-	4,884,563
Total	<u>10,144,112</u>	<u>481,807</u>	<u>(201,450)</u>	<u>-</u>	<u>10,424,469</u>
Less accumulated depreciation for:					
Buildings	(654,256)	(44,886)	-	-	(699,142)
Improvements other than buildings	(523,423)	(54,395)	-	-	(577,818)
Machinery and equipment	(1,053,467)	(52,880)	-	-	(1,106,347)
Vehicles	(1,026,015)	(83,181)	201,450	-	(907,746)
Infrastructure	(2,051,839)	(251,557)	-	-	(2,303,396)
Total	<u>(5,309,000)</u>	<u>(486,899)</u>	<u>201,450</u>	<u>-</u>	<u>(5,594,449)</u>
Total capital assets, being depreciated, net	<u>4,835,112</u>	<u>(5,092)</u>	<u>-</u>	<u>-</u>	<u>4,830,020</u>
Governmental activities capital assets, net	<u>\$ 6,029,515</u>	<u>\$ (5,092)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,024,423</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 59,335	\$ -	\$ -	\$ -	\$ 59,335
Total	<u>59,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,335</u>
Capital assets, being depreciated:					
Buildings and system	3,886,060	-	-	-	3,886,060
Machinery and equipment	619,231	-	-	-	619,231
Vehicles	69,400	-	-	-	69,400
Water treatment capacity	1,683,147	-	-	-	1,683,147
Total	<u>6,257,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,257,838</u>
Less accumulated depreciation for:					
Buildings and system	(2,497,304)	(78,235)	-	-	(2,575,539)
Machinery and equipment	(456,424)	(40,705)	-	-	(497,129)
Vehicles	(69,400)	-	-	-	(69,400)
Water treatment capacity	(661,093)	(33,663)	-	-	(694,756)
Total	<u>(3,684,221)</u>	<u>(152,603)</u>	<u>-</u>	<u>-</u>	<u>(3,836,824)</u>
Total capital assets, being depreciated, net	<u>2,573,617</u>	<u>(152,603)</u>	<u>-</u>	<u>-</u>	<u>2,421,014</u>
Business-type activities capital assets, net	<u>\$ 2,632,952</u>	<u>\$ (152,603)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,480,349</u>

Depreciation expense was charged to functions of the City as follows:

Governmental activities	
General government	\$ 48,379
Public safety	114,454
Public works	252,815
Culture and recreation	70,126
Judicial	1,125
Total governmental activities	<u>\$ 486,899</u>
Business-type activities	
Water	\$ 54,368
Sewer	64,572
Total governmental activities	<u>\$ 118,940</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. COMPENSATED ABSENCES

The compensated absences activity for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Compensated absences	\$ 96,518	\$ 74,404	\$ (78,241)	\$ 92,681	\$ 41,706
Business-type activities					
Compensated absences	\$ 1,313	\$ 4,188	\$ (2,794)	\$ 2,707	\$ 1,218

For governmental activities, compensated absences are generally liquidated by the General Fund.

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water and Sewer Fund	\$ 23,761
General Fund	Nonmajor Governmental Funds	11,836
SPLOST	General Fund	11,526
		<u>\$ 47,123</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water and Sewer Fund	<u>\$ 267,116</u>

These balances resulted from time lag between the dates the: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Advances to/from other funds represent amounts not expected to be repaid within one year from the date of the financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

The composition of interfund transfers as of June 30, 2021, is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
SPLOST Fund	General Fund	\$ 8,600

Transfers are used to: 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected in the General Fund to finance various programs in other funds in accordance with budgetary authorizations.

NOTE 8. PENSION PLAN

Plan Description

The City of Bloomingdale Defined Benefit Plan (the "Plan") is a single-employer defined benefit pension plan covering all full-time employees, elected officials, and appointed positions who have attained age 21 and completed one year of service. The Plan provides retirement, disability, death and termination benefits to plan members and beneficiaries. The City administers the Plan, and responsibilities include pension disbursements and general administration of the Plan through oversight of the City's Pension Board. The City's Pension Board consists of the City's elected officials appointed to the City's budget and finance committee, the City's department heads and the City attorney. The Pension Board has contracted with Raymond James & Associates Inc. to act as custodian of the assets of the Plan. The accounting and financial reporting functions are performed by the City's finance department. The City's General Fund bears most of the Plan's administrative costs.

Benefits Provided

The Plan provides retirement benefits for its members. Benefits vest after five years of service. Normal retirement benefits for general plan members are calculated as 1% of the average monthly compensation multiplied by the number of years of service, plus 0.375% of average monthly compensation in excess of \$833, multiplied by the number of years of service, up to a maximum of 35 years. Average monthly compensation is the quotient of the total compensation of a participant during the 60 consecutive calendar month period of service of highest compensation.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

For years of service rendered as an elected official or appointed position, the benefit shall be \$10 per month for each year of service earned as an elected official or appointed position prior to January 1, 2014, plus \$30 per month for each year of service earned as an elected official or appointed position after December 31, 2013.

Normal retirement age is the later of attainment of age 62 or the fifth anniversary of plan participation, or if earlier, attainment of age 57 and 25 years of service. Employees who have attained age 55 with ten or more years of service have the option for early retirement benefits. The Plan also provides for disability and termination benefits.

The Plan's benefit provisions are established and amended by local ordinance.

Employee Participation

At June 30, 2021, the following employees were covered by the Plan:

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to, but not receiving benefits	5
Active plan members	<u>39</u>
Total	<u><u>48</u></u>

Contributions

The City is required to contribute at an actuarially determined rate; the current rate is 8.95% of annual covered payroll. The City contributes such additional amounts as are necessary, based on actuarial valuations, to provide the Plan with sufficient assets to meet future benefit payments. In 2021, the City contributed \$116,115 (7.75% of covered payroll). Employees do not contribute to the Plan. Total payroll for employees covered under the Plan for the year ended June 30, 2021, was \$1,497,862.

Net Pension Liability (Asset)

The City's net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2020, with update procedures performed by the actuary to roll forward to the total pension liability measured as of June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

Net Pension Liability (Asset) (Continued)

Actuarial assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.00%
Investment rate of return	7.50%

Mortality rates were based on the 1994 Group Annuity Reserving Table, projected to 2002.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the last actuarial experience study dated February 19, 2014. The result was rolled forward using standard actuarial techniques to the measurement date.

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 the City's contributions will be made at the current contribution rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and active employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investments 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 Plan's target asset allocation as of July 1, 2020, are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Domestic equity	40%	7.50%
International equity	10%	7.50
Domestic fixed income	43%	7.50
Cash	7%	
Total	100%	

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

Net Pension Liability (Asset) (Continued)

Changes in the Net Pension Liability (Asset) of the City. The changes in the components of the net pension asset of the City for the year ended June 30, 2021, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Beginning Balance	\$ 1,931,128	\$ 1,778,649	\$ 152,479
Changes for the year			
Service cost	130,735	-	130,735
Interest	152,892	-	152,892
Differences between expected and actual experience	(124,429)	-	(124,429)
Contributions - employer	-	116,115	(116,115)
Net investment income	-	344,248	(344,248)
Benefit payments, including refunds of employee contributions	(47,472)	(47,472)	-
Administrative expense	-	(17,231)	17,231
Net changes	111,726	395,660	(283,934)
Ending Balance	\$ 2,042,854	\$ 2,174,309	\$ (131,455)

The required schedule of changes in the City's net pension liability (asset) and related ratios immediately following the notes to the financial statements presents multi-year 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 asset to changes in the discount rate. The following presents the net pension asset of the City, calculated using the discount rate of 7.5%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's net pension asset	\$ (62,555)	\$ (131,455)	\$ (196,455)

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

Net Pension Liability (Asset) (Continued)

Sensitivity of the net pension asset to changes in the discount rate (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 June 30, 2021, and the current sharing pattern of costs between employer and employee.

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

For the year ended June 30, 2021, the City recognized pension expense of \$110,959 and deferred inflows of resources related to the pension plan as follows:

	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ (144,420)
Net difference between projected and actual earnings on pension plan investments	<u>(125,517)</u>
Total	<u>\$ (269,937)</u>

The deferred inflows of resources will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	
2022	\$ (54,941)
2023	(59,255)
2024	(58,048)
2025	(60,644)
2026	(15,058)
Thereafter	<u>(21,991)</u>
Total	<u>\$ (269,937)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED CONTRIBUTION PENSION PLAN

The City of Bloomingdale Defined Contribution Benefit Plan (the "Plan") is a single employer defined contribution plan established and administered by City Council for substantially all of its full-time employees. The Plan provides retirement and death benefits to Plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by City Council.

Employees are not required to contribute to the Plan. The City contributes an amount equal to 8.23% of each participant's compensation. For the fiscal year ended June 30, 2021, the City's contribution to the Plan was \$127,343.

NOTE 10. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the coastal Georgia area, is a member of the Coastal Regional Commission ("CRC") and is required to pay annual dues thereto. During the year ended June 30, 2021, the City paid \$3,855 in such dues. Membership in the CRC is required by the Official Code of Georgia Annotated ("O.C.G.A.") §50-8-34 which provides for the organizational structure of regional development commissions in Georgia. The CRC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional development commission. Separate financial statements may be obtained from the Coastal Regional Commission, P.O. Box 1917, Brunswick, Georgia 31521.

NOTE 11. 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. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As 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 any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pools' agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member City contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Settled claims in the past three years have not exceeded the coverages.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions arising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BLOOMINGDALE, GEORGIA

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

	2021	2020	2019
Total pension liability			
Service cost	\$ 130,735	\$ 133,325	\$ 135,649
Interest on total pension liability	152,892	135,356	124,878
Differences between expected and actual experience	(124,429)	43,560	(33,102)
Benefit payments, including refunds of employee contributions	(47,472)	(103,209)	(68,196)
Net change in total pension liability	111,726	209,032	159,229
Total pension liability - beginning	1,931,128	1,722,096	1,562,867
Total pension liability - ending (a)	2,042,854	1,931,128	1,722,096
Plan fiduciary net position			
Contributions - employer	116,115	180,744	138,736
Net investment income	344,248	76,362	95,842
Benefit payments, including refunds of member contributions	(47,472)	(103,209)	(68,196)
Administrative expenses	(17,231)	(13,041)	(11,183)
Net change in plan fiduciary net position	395,660	140,856	155,199
Plan fiduciary net position - beginning	1,778,649	1,637,793	1,482,594
Plan fiduciary net position - ending (b)	2,174,309	1,778,649	1,637,793
City's net pension liability (asset) - ending (a) - (b)	\$ (131,455)	\$ 152,479	\$ 84,303
Plan fiduciary net position as a percentage of the total pension liability	106.43%	92.1%	95.1%
Covered payroll	\$ 1,497,862	\$ 1,488,826	\$ 1,422,187
Net pension liability (asset) as a percentage of covered payroll	-8.78%	10.2%	5.9%

Notes to the Schedule:

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

2018	2017	2016	2015	2014
\$ 108,465	\$ 108,465	\$ 114,171	\$ 125,698	\$ 101,543
109,736	107,861	116,009	113,165	104,899
(4,996)	(51,698)	(69,018)	(18,921)	(68,879)
(9,860)	(264,779)	(263,436)	(80,855)	(23,198)
203,345	(100,151)	(102,274)	139,087	114,365
1,359,522	1,459,673	1,561,947	1,422,860	1,308,495
1,562,867	1,359,522	1,459,673	1,561,947	1,422,860
121,431	123,112	134,304	124,920	104,770
75,080	95,395	105,664	54,710	165,890
(9,860)	(264,779)	(263,436)	(80,855)	(23,198)
(13,929)	(13,141)	(13,415)	(13,901)	(11,635)
172,722	(59,413)	(36,883)	84,874	235,827
1,309,872	1,369,285	1,406,168	1,321,294	1,085,467
1,482,594	1,309,872	1,369,285	1,406,168	1,321,294
\$ 80,273	\$ 49,650	\$ 90,388	\$ 155,779	\$ 101,566
94.9%	96.3%	93.8%	90.0%	92.9%
\$ 1,446,826	\$ 1,135,450	\$ 1,179,505	\$ 1,305,039	\$ 1,249,083
5.5%	4.4%	7.7%	11.9%	8.1%

CITY OF BLOOMINGDALE, GEORGIA

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

	2021	2020	2019
Actuarially determined contribution	\$ 139,892	\$ 134,737	\$ 137,942
Contributions in relation to the actuarially determined contribution	116,115	180,744	138,736
Contribution deficiency (excess)	\$ 23,777	\$ (46,007)	\$ (794)
Covered payroll	\$ 1,497,862	\$ 1,488,826	\$ 1,422,187
Contributions as a percentage of covered payroll	7.8%	12.1%	9.8%

Notes to the Schedule:

Valuation Date	July 1, 2020
Cost Method	Entry Age Normal
Assumed Rate of Return	
On Investments	7.50%
Projected Salary Increases	5.00%
Inflation	3.00%
Amortization Method	Closed level percentage of projected payroll over 15 years
Remaining Amortization Period	15 years

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

2018	2017	2016	2015	2014
\$ 108,497	\$ 117,341	\$ 134,134	\$ 123,101	\$ 114,375
121,431	123,112	134,304	124,920	104,770
<u>\$ (12,934)</u>	<u>\$ (5,771)</u>	<u>\$ (170)</u>	<u>\$ (1,819)</u>	<u>\$ 9,605</u>
\$ 1,446,826	\$ 1,135,450	\$ 1,179,505	\$ 1,305,039	\$ 1,249,083
8.4%	10.8%	11.4%	9.6%	8.4%

CITY OF BLOOMINGDALE, GEORGIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS –
RETIREMENT PLAN
FOR THE FISCAL YEARS ENDED JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money weighted rate of return, net of investment expense	19.21%	4.67%	6.29%

Notes to the Schedule:

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

2018	2017	2016	2015	2014
5.49%	7.53%	8.09%	4.05%	14.88%

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF BLOOMINGDALE, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The Fire Department Fund accounts for fund raising efforts by the City's fire department and related expenditure of those funds.

The Forfeiture Account Fund accounts for forfeited assets awarded to the City and the related expenditures.

CITY OF BLOOMINGDALE, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

ASSETS	Special Revenue		Total Nonmajor Governmental Funds
	Fire Department	Forfeiture Account Fund	
Cash and cash equivalents	\$ 1,457	\$ 19,186	\$ 20,643
Total assets	<u>\$ 1,457</u>	<u>\$ 19,186</u>	<u>\$ 20,643</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Due to other funds	\$ -	\$ 11,836	\$ 11,836
Total liabilities	<u>-</u>	<u>11,836</u>	<u>11,836</u>
FUND BALANCE			
Restricted for:			
Public safety	<u>1,457</u>	<u>7,350</u>	<u>8,807</u>
Total fund balances	<u>1,457</u>	<u>7,350</u>	<u>8,807</u>
Total liabilities and fund balances	<u>\$ 1,457</u>	<u>\$ 19,186</u>	<u>\$ 20,643</u>

CITY OF BLOOMINGDALE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Special Revenue		Total Nonmajor Governmental Funds
	Fire Department	Forfeiture Account Fund	
REVENUES			
Fines and forfeitures	\$ -	\$ 8,884	\$ 8,884
Miscellaneous	55	-	55
Total revenues	55	8,884	8,939
EXPENDITURES			
Current:			
Public safety	-	725	725
Total expenditures	-	725	725
Net change in fund balances	55	8,159	8,214
Fund balance (deficit), beginning of year	1,402	(809)	593
Fund balance, end of year	\$ 1,457	\$ 7,350	\$ 8,807

CITY OF BLOOMINGDALE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FIRE DEPARTMENT FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ 1,000	\$ 1,000	\$ 55	\$ (945)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>55</u>	<u>(945)</u>
Expenditures				
Current:				
Public safety	1,000	1,000	-	1,000
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net change in fund balance	-	-	55	55
Fund balance, beginning of year	<u>1,402</u>	<u>1,402</u>	<u>1,402</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,402</u>	<u>\$ 1,402</u>	<u>\$ 1,457</u>	<u>\$ 55</u>

CITY OF BLOOMINGDALE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FORFEITURE ACCOUNT FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 8,884	\$ 7,884
Total revenues	1,000	1,000	8,884	7,884
Expenditures				
Current:				
Public safety	1,000	1,000	725	275
Total expenditures	1,000	1,000	725	275
Net change in fund balance (deficit)	-	-	8,159	8,159
Fund balance (deficit), beginning of year	(809)	(809)	(809)	-
Fund balance, end of year	\$ (809)	\$ (809)	\$ 7,350	\$ 8,159

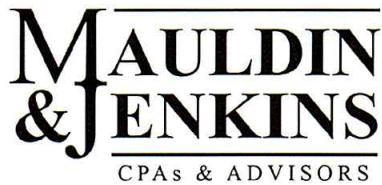
CITY OF BLOOMINGDALE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
2014 Resolution	\$ 3,200,000	\$ 3,200,000	\$ -	\$ -	\$ -
General government:					
General administration equipment	-	-	116,096	579,307	695,403
Rental house renovations	-	-	8,729	-	8,729
Public safety:					
Equipment	-	-	691,327	-	691,327
Public works:					
Equipment	-	-	221,311	-	221,311
Street resurfacing	-	-	467,332	-	467,332
Jimmy DeLoach Parkway relocation	-	-	49,006	-	49,006
Water meter replacement project	-	-	128,077	-	128,077
School pump station upgrade	-	-	3,000	-	3,000
Debt service - interest	-	-	22,224	-	22,224
Drainage projects:					
Phase III drainage project	-	-	536,949	-	536,949
Recreation:					
Veterans monument	-	-	6,915	40	6,955
Gym	-	-	84,251	-	84,251
Rails to trails	-	-	3,689	-	3,689
Equipment	-	-	279,538	-	279,538
Totals	<u>\$ 3,200,000</u>	<u>\$ 3,200,000</u>	<u>\$ 2,618,444</u>	<u>\$ 579,347</u>	<u>\$ 3,197,791</u>

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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 City Council
City of Bloomingdale, Georgia
Bloomingdale, 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 Bloomingdale, Georgia** (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 9, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 2021-001 that we consider to be a significant deficiency.

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

The City's Response to the Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
August 9, 2022

CITY OF BLOOMINGDALE, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

☐ Yes ☒ None Reported

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 award programs as of June 30, 2021, due to the total amount expended being less than \$750,000.

SECTION II
FINANCIAL STATEMENT FINDINGS

2021-001 – General Accounting Matters – SPLOST Fund

Criteria: Generally accepted accounting principles require appropriate balances to be recognized in the accounting period in which they become both measurable and available. Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition/ Context: The SPLOST fund cash, receivables, unavailable revenue and revenue balances were understated in the amount of \$59,601.

Cause: The City has experienced significant turnover during the past few years, resulting in the need for adjustments to certain accounts well after year-end.

Effect: Adjustments to increase cash, receivables, unavailable revenue and revenue in the amount of \$59,601 were required to correct the respective balances at year-end.

Recommendation: We recommend the City cross train employees so that in situations where employee turnover occurs, all employees are well versed in the City's operations. Additionally, hiring a third-party accountant or accounting firm, with governmental accounting experience, to help the City prepare for the audit and possibly assist with routine monthly close-out procedures would be beneficial.

CITY OF BLOOMINGDALE, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS (CONTINUED)

2021-001 – General Accounting Matters – SPLOST Fund (Continued)

Views of Responsible Officials and Planned Corrective Action: We concur with the finding and will explore the most cost effective option for addressing the above recommendation.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

CITY OF BLOOMINGDALE, GEORGIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

STATUS OF PRIOR YEAR AUDIT FINDINGS

2020-001 – Recording Accounts Payable

Criteria: The City's general ledger is the official record of financial transactions. All accounts payable should be recorded in accordance with generally accepted accounting principles and to ensure accurate financial reporting.

Condition: During our testing of accounts payable, we noted numerous payables were not recorded.

Status: Resolved.