CITY OF ADEL, GEORGIA
Annual Financial Report
For The Fiscal Year Ended
September 30, 2016

MEEKS CPA, LLP
CERTIFIED PUBLIC ACCOUNTANTS
Ocilla, Georgia

CITY OF ADEL, GEORGIA
Annual Financial Report
For The Fiscal Year Ended September 30, 2016

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Adel, Georgia as of and for the year ended September 30, 2016, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund

information of the City of Adel, Georgia, as of September 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and historical pension information 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, 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 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. 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 of Adel, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 and individual fund financial statements and schedules, supplemental schedules, and 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 our opinion, the combining and individual fund financial statements and schedules, supplemental schedules, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2017, on our consideration of the City of Adel, Georgia'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Adel, Georgia's internal control over financial reporting and compliance.

MEEKS CPA, LLP

Ocilla, Georgia
September 27, 2017

BASIC FINANCIAL STATEMENTS

CITY OF ADEL, GEORGIA
Statement of Net Position
September 30, 2016

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Primary Government	Economic Development Commission	Industrial Development Authority	Downtown Development Authority
ASSETS						
Cash and Cash Equivalents	$ 9,375,207	$ 4,964,435	$ 14,339,642	$ 785,808	$ 932,258	$ 13,689
Investments	--	7,098,699	7,098,699	--	--	--
Receivables (Net of Allowance for Uncollectibles)	1,007,734	1,256,228	2,263,962	300,156	--	--
Due from Component Unit	115,191	--	115,191	--	--	--
Inventories	--	836,243	836,243	--	--	--
Property Held for Resale	--	--	--	--	5,267,248	115,191
Prepaid Items	84,942	24,336	109,278	--	--	--
Restricted Assets						
Cash and Cash Equivalents	101,637	--	101,637	--	--	--
Capital Assets Not Being Depreciated	1,377,296	4,390,723	5,768,019	--	--	--
Capital Assets Net of Accumulated Depreciation	3,341,172	7,162,912	10,504,084	--	58,771	--
Total Assets	15,403,179	25,733,576	41,136,755	1,085,964	6,258,277	128,880
DEFERRED OUTFLOWS OF RESOURCES						
Pension	1,169,433	608,170	1,777,603	--	--	--
Total Deferred Outflows of Resources	1,169,433	608,170	1,777,603	--	--	--
LIABILITIES						
Accounts Payable	135,366	1,234,662	1,370,028	3,976	--	--
Accrued Liabilities	27,369	10,962	38,331	5,186	--	--
Intergovernmental Payable	557	51,346	51,903	--	280,000	--
Unearned Revenue	--	9,248	9,248	--	--	--
Internal Balances	3,196,373	(3,196,373)	--	--	--	--
Due to Primary Government	--	--	--	--	--	115,191
Customer Deposits	1,250	472,598	473,848	--	--	--
Noncurrent Liabilities						
Due Within One Year	180,242	27,060	207,302	--	166,667	--
Due in More than One Year	1,646,504	1,491,485	3,137,989	--	166,667	--
Total Liabilities	5,187,661	100,988	5,288,649	9,162	613,334	115,191
DEFERRED INFLOWS OF RESOURCES						
Pension	215,187	111,909	327,096	--	--	--
Total Deferred Inflows of Resources	215,187	111,909	327,096	--	--	--
NET POSITION						
Net Investment in Capital Assets	4,422,112	10,791,748	15,213,860	--	58,771	--
Restricted						
Public Safety	101,072	--	101,072	--	--	--
Capital Outlay	989,285	--	989,285	--	--	--
Unrestricted	5,657,295	15,337,101	20,994,396	1,076,802	5,586,172	13,689
Total Net Position	$ 11,169,764	$ 26,128,849	$ 37,298,613	$ 1,076,802	$ 5,644,943	$ 13,689

The notes to the financial statements are an integral part of this statement.

CITY OF ADEL, GEORGIA
Statement of Activities
For the Year Ended September 30, 2016

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES: Charges For Services	PROGRAM REVENUES: Operating Grants & Contributions	PROGRAM REVENUES: Capital Grants & Contributions
Primary Government				
Governmental Activities				
General Government	$ 546,905	$ 23,239	$ 2,426	$ --
Judicial	26,914	690,486	--	--
Public Safety	3,309,672	13,516	3,186	--
Public Works	1,830,537	925,228	--	692,217
Culture and Recreation	567,378	83,327	273,726	--
Housing and Development	82,251	--	--	--
Interest on Long-Term Debt	15,241	--	--	--
Total Governmental Activities	6,378,898	1,735,796	279,338	692,217
Business-type Activities				
Electric	9,339,453	12,248,629	--	--
Gas	892,413	897,592	--	--
Sewer	818,413	1,137,963	--	--
Water	705,371	851,681	--	--
Total Business-Type Activities	11,755,650	15,135,865	--	--
Total Primary Government	$ 18,134,548	$ 16,871,661	$ 279,338	$ 692,217
Component Units				
Economic Development Commission	$ 287,317	$ --	$ 229,602	$ --
Industrial Development Authority	116,201	--	--	166,667
Downtown Development Authority	6,386	--	2,000	--
Total Component Units	$ 409,904	$ --	$ 231,602	$ 166,667
General Revenues				
Taxes				
Property				
Franchise				
General Sales and Use				
Selective Sales and Use				
Business				
Penalties and Interest on Delinquent Taxes				
Federal Government Payments in Lieu of Taxes				
Investment Income				
Miscellaneous				
Gain on Disposition of Capital Assets				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

The notes to the financial statements are an integral part of this statement.

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Economic Development Commission	Industrial Development Authority	Downtown Development Authority
$ (521,240)	$ --	$ (521,240)			
663,572	--	663,572			
(3,292,970)	--	(3,292,970)			
(213,092)	--	(213,092)			
(210,325)	--	(210,325)			
(82,251)	--	(82,251)			
(15,241)	--	(15,241)			
(3,671,547)	--	(3,671,547)			
--	2,909,176	2,909,176			
--	5,179	5,179			
--	319,550	319,550			
--	146,310	146,310			
--	3,380,215	3,380,215			
(3,671,547)	3,380,215	(291,332)			
			$ (57,715)	$ --	$ --
			--	50,466	--
			--	--	(4,386)
			(57,715)	50,466	(4,386)
686,553	--	686,553	--	--	--
79,629	--	79,629	--	--	--
220,719	--	220,719	--	--	--
141,112	--	141,112	--	--	--
409,389	--	409,389	--	--	--
9,304	--	9,304	--	--	--
--	--	--	--	303,742	--
24,054	186,693	210,747	3,749	3,166	22
27,149	--	27,149	--	50,000	--
750	2,002	2,752	--	--	--
918,237	(918,237)	--	--	--	--
2,516,896	(729,542)	1,787,354	3,749	356,908	22
(1,154,651)	2,650,673	1,496,022	(53,966)	407,374	(4,364)
12,324,415	23,478,176	35,802,591	1,130,768	5,237,569	18,053
$ 11,169,764	$ 26,128,849	$ 37,298,613	$ 1,076,802	$ 5,644,943	$ 13,689

CITY OF ADEL, GEORGIA
Balance Sheet
Governmental Funds
September 30, 2016

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 7,656,036	$ 1,719,171	$ 9,375,207
Restricted Assets			
Cash and Cash Equivalents	--	101,637	101,637
Receivables (Net of Allowance for Uncollectibles)	812,330	195,404	1,007,734
Due from Other Funds	2,648,137	495	2,648,632
Due from Component Unit	115,191	--	115,191
Total Assets	$ 11,231,694	$ 2,016,707	$ 13,248,401
LIABILITIES			
Accounts Payable	$ 130,487	$ 4,879	$ 135,366
Accrued Liabilities	27,369	--	27,369
Intergovernmental Payable	557	--	557
Due to Other Funds	5,711,983	133,022	5,845,005
Customer Deposits	1,250	--	1,250
Total Liabilities	5,871,646	137,901	6,009,547
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue			
Property Taxes	486,624	--	486,624
Intergovernmental	--	154,026	154,026
Total Deferred Inflows of Resources	486,624	154,026	640,650
FUND BALANCES			
Nonspendable	115,191	--	115,191
Restricted	--	1,090,357	1,090,357
Assigned	203,967	757,422	961,389
Unassigned	4,554,266	(122,999)	4,431,267
Total Fund Balances	4,873,424	1,724,780	6,598,204
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 11,231,694	$ 2,016,707	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			4,718,468
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			640,650
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures in the funds.			84,942
Pension deferred outflows of resources are not due and payable in the current period and will be recognized as components of pension related expenses and contributions in future periods and therefore are not reported in the funds.			1,169,433
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Capital Leases		$ (223,948)	
Notes Payable		(72,408)	
Compensated Absences		(220,728)	
Net Pension Liability		(1,309,662)	
Total long-term liabilities			(1,826,746)
Pension deferred inflows of resources are not available to pay for current expenditures and will be recognized as components of pension related expenses in future periods and therefore are not reported in the funds.			(215,187)
Net Position of Governmental Activities			$ 11,169,764

The notes to the financial statements are an integral part of this statement.

CITY OF ADEL, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2016

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	$ 1,652,357	$ --	$ 1,652,357
Licenses and Permits	19,100	--	19,100
Intergovernmental	76,033	901,325	977,358
Charges for Services	930,237	83,327	1,013,564
Fines and Forfeitures	690,486	12,646	703,132
Investment Income	20,755	4,179	24,934
Contributions and Donations	4,741	--	4,741
Miscellaneous	27,149	--	27,149
Total Revenues	3,420,858	1,001,477	4,422,335
EXPENDITURES			
Current			
General Government	519,483	--	519,483
Judicial	26,914	--	26,914
Public Safety	3,048,057	17,989	3,066,046
Public Works	1,938,284	--	1,938,284
Culture and Recreation	47,322	495,413	542,735
Housing and Development	82,251	--	82,251
Capital Outlay	--	377,667	377,667
Debt Service	257,331	--	257,331
Total Expenditures	5,919,642	891,069	6,810,711
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,498,784)	110,408	(2,388,376)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,460,584	37,080	1,497,664
Transfers Out	(13,189)	(23,891)	(37,080)
Proceeds of Capital Asset Dispositions	750	--	750
Total Other Financing Sources (Uses)	1,448,145	13,189	1,461,334
Net Change in Fund Balances	(1,050,639)	123,597	(927,042)
Fund Balances - Beginning	5,924,063	1,601,183	7,525,246
Fund Balances - Ending	$ 4,873,424	$ 1,724,780	$ 6,598,204

The notes to the financial statements are an integral part of this statement.

CITY OF ADEL, 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 September 30, 2016

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

Net change in fund balances - total governmental funds reported in the *Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds*	$ (927,042)
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	884,971
Depreciation Expense	(570,453)
	314,518
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) increases (decreases) net position.	
Cost of Capital Assets Sold/Disposed	(29,675)
Accumulated Depreciation	29,675
Capital Assets Reassigned to Enterprise Funds	(542,347)
	(542,347)
Revenues in the *Statement of Activities* that do not provide current financial resources are not reported as revenues in the funds while revenues reported in the *Statement of Revenues, Expenditures and Changes in Fund Balances* are recognized as revenue of the previous period in the *Statement of Activities* and included in beginning net position.	
Taxes	(105,651)
Intergovernmental	(11,424)
	(117,075)
The issuance of long-term debt (e.g., bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the *Statement of Activities*.	
Principal Repayments	
Capital Leases	218,262
Notes Payable	23,828
	242,090
Expenses reported in the *Statement of Activities* that do not require the use of current financial resources are not reported as expenditures in governmental funds while expenditures reported in the *Statement of Revenues, Expenditures and Changes in Fund Balances* are recognized as expenses of the previous period in the *Statement of Activities* and included in beginning net position.	
Compensated Absences	(5,244)
Pensions	(125,080)
Prepaid Items	5,529
	(124,795)
Change in net position of governmental activities reported in the *Statement of Activities*	$ (1,154,651)

The notes to the financial statements are an integral part of this statement.

CITY OF ADEL, GEORGIA
Statement of Net Position
Proprietary Funds
September 30, 2016

	Business-type Activities - Enterprise Funds					
	Electric	Gas	Water	Sewer	Combined Public Utility System	Total Enterprise Funds
ASSETS						
Current Assets						
Cash and Cash Equivalents	$ 149,606	$ 94,384	$ 828,084	$ 76,657	$ 3,815,704	$ 4,964,435
Investments	7,098,699	--	--	--	--	7,098,699
Receivables (Net of Allowance for Uncollectibles)	1,047,455	44,751	45,331	115,337	3,354	1,256,228
Due from Other Funds	3,815,269	35,729	1,019,305	2,041,758	399	6,912,460
Inventories	724,818	35,497	69,438	6,490	--	836,243
Prepaid Items	8,240	2,465	6,372	7,259	--	24,336
Total Current Assets	12,844,087	212,826	1,968,530	2,247,501	3,819,457	21,092,401
Noncurrent Assets						
Capital Assets Not Being Depreciated	725,116	1,803,492	1,011,078	851,037	--	4,390,723
Capital Assets Net of Accumulated Depreciation	1,156,544	389,018	2,014,811	3,602,539	--	7,162,912
Total Noncurrent Assets	1,881,660	2,192,510	3,025,889	4,453,576	--	11,553,635
Total Assets	14,725,747	2,405,336	4,994,419	6,701,077	3,819,457	32,646,036
DEFERRED OUTFLOWS OF RESOURCES						
Pension	285,049	106,344	87,795	128,982	--	608,170
Total Deferred Outflows of Resources	285,049	106,344	87,795	128,982	--	608,170
LIABILITIES						
Current Liabilities						
Accounts Payable	820,191	358,191	38,976	17,304	--	1,234,662
Accrued Liabilities	5,781	1,723	1,251	2,207	--	10,962
Intergovernmental Payable	43,560	7,786	--	--	--	51,346
Due to Other Funds	488,019	1,481,103	1,121,634	625,331	--	3,716,087
Unearned Revenue	9,248	--	--	--	--	9,248
Customer Deposits	425,459	32,220	14,919	--	--	472,598
Notes Payable	--	--	--	27,060	--	27,060
Total Current Liabilities	1,792,258	1,881,023	1,176,780	671,902	--	5,521,963
Noncurrent Liabilities						
Compensated Absences	43,734	12,731	2,731	16,363	--	75,559
Net Pension Liability	319,231	119,096	98,323	144,449	--	681,099
Notes Payable	--	--	659,957	74,870	--	734,827
Total Noncurrent Liabilities	362,965	131,827	761,011	235,682	--	1,491,485
Total Liabilities	2,155,223	2,012,850	1,937,791	907,584	--	7,013,448
DEFERRED INFLOWS OF RESOURCES						
Pension	52,452	19,568	16,155	23,734	--	111,909
Total Deferred Inflows of Resources	52,452	19,568	16,155	23,734	--	111,909
NET POSITION						
Net Investment in Capital Assets	1,881,660	2,192,510	2,365,932	4,351,646	--	10,791,748
Unrestricted	10,921,461	(1,713,248)	762,336	1,547,095	3,819,457	15,337,101
Total Net Position	$ 12,803,121	$ 479,262	$ 3,128,268	$ 5,898,741	$ 3,819,457	$ 26,128,849

The notes to the financial statements are an integral part of this statement.

CITY OF ADEL, GEORGIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2016

	Business-type Activities - Enterprise Funds					
	Electric	Gas	Water	Sewer	Combined Public Utility System	Total Enterprise Funds
OPERATING REVENUES						
Charges for Services	$ 12,248,629	$ 897,592	$ 851,681	$ 1,137,963	$ --	$ 15,135,865
Total Operating Revenues	12,248,629	897,592	851,681	1,137,963	--	15,135,865
OPERATING EXPENSES						
Personal Services and Employee Benefits	861,967	315,622	261,683	360,966	--	1,800,238
Purchased/Contracted Services	354,924	71,904	147,385	118,250	--	692,463
Supplies	7,965,935	474,777	175,163	152,919	--	8,768,794
Depreciation	156,627	30,110	112,693	180,936	--	480,366
Total Operating Expenses	9,339,453	892,413	696,924	813,071	--	11,741,861
Operating Income (Loss)	2,909,176	5,179	154,757	324,892	--	3,394,004
NONOPERATING REVENUES (EXPENSES)						
Interest Revenue	113	--	--	--	13,625	13,738
Investment Earnings	172,955	--	--	--	--	172,955
Interest	--	--	(1,763)	(5,342)	--	(7,105)
Debt Issuance Costs	--	--	(6,684)	--	--	(6,684)
Gain (Loss) on Disposition of Capital Assets	--	--	2,002	--	--	2,002
Total Nonoperating Revenues (Expenses)	173,068	--	(6,445)	(5,342)	13,625	174,906
Income (Loss) Before Contributions and Transfers	3,082,244	5,179	148,312	319,550	13,625	3,568,910
Capital Contributions	--	--	--	542,347	--	542,347
Transfers Out	(1,243,221)	(61,996)	(61,396)	(93,971)	--	(1,460,584)
Changes in Net Position	1,839,023	(56,817)	86,916	767,926	13,625	2,650,673
Net Position - Beginning	10,964,098	536,079	3,041,352	5,130,815	3,805,832	23,478,176
Net Position - Ending	$ 12,803,121	$ 479,262	$ 3,128,268	$ 5,898,741	$ 3,819,457	$ 26,128,849

The notes to the financial statements are an integral part of this statement.

CITY OF ADEL, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2016

	Business-type Activities - Enterprise Funds					
	Electric	Gas	Water	Sewer	Combined Public Utility System	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers and Users	$ 12,316,621	$ 891,975	$ 853,907	$ 1,157,328	$ --	$ 15,219,831
Payments to Suppliers	(8,269,169)	(546,244)	(364,362)	(269,335)	--	(9,449,110)
Payments to Employees	(823,330)	(299,004)	(255,601)	(340,144)	--	(1,718,079)
Net Cash Provided (Used) by Operating Activities	3,224,122	46,727	233,944	547,849	--	4,052,642
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to Other Funds	(1,243,221)	(61,996)	(61,396)	(93,971)	--	(1,460,584)
Due from Other Funds	(861,880)	54,628	(159,918)	(471,501)	1	(1,438,670)
Due to Other Funds	22,544	1,389,533	824,672	142,087	--	2,378,836
Net Cash Provided (Used) by Noncapital Financing Activities	(2,082,557)	1,382,165	603,358	(423,385)	1	(520,418)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from Capital Debt	--	--	659,957	--	--	659,957
Acquisition and Construction of Capital Assets	(723,803)	(1,453,234)	(744,082)	(11,052)	--	(2,932,171)
Principal Paid on Capital Debt	--	--	(26,261)	(52,308)	--	(78,569)
Interest Paid on Capital Debt	--	--	(1,763)	(5,342)	--	(7,105)
Bond Issue Cost Paid	--	--	(6,684)	--	--	(6,684)
Proceeds from Sales of Capital Assets	--	--	22,000	--	--	22,000
Net Cash Provided (Used) by Capital and Related Financing Activities	(723,803)	(1,453,234)	(96,833)	(68,702)	--	(2,342,572)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of Investments	(622,659)	--	--	--	--	(622,659)
Interest Received	113	--	--	--	13,297	13,410
Dividends Received	97,321	--	--	--	--	97,321
Net Cash Provided (Used) by Investing Activities	(525,225)	--	--	--	13,297	(511,928)
Net Increase (Decrease) in Cash and Cash Equivalents	(107,463)	(24,342)	740,469	55,762	13,298	677,724
Cash and Cash Equivalents - Beginning of Year	257,069	118,726	87,615	20,895	3,802,406	4,286,711
Cash and Cash Equivalents - End of Year	$ 149,606	$ 94,384	$ 828,084	$ 76,657	$ 3,815,704	$ 4,964,435

CITY OF ADEL, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2016

	Business-type Activities - Enterprise Funds					
	Electric	Gas	Water	Sewer	Combined Public Utility System	Total Enterprise Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	$ 2,909,176	$ 5,179	$ 154,757	$ 324,892	$ --	$ 3,394,004
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities						
Depreciation Expense	156,627	30,110	112,693	180,936	--	480,366
(Increase) Decrease in Accounts Receivable	24,737	(12,558)	1,021	19,365	--	32,565
(Increase) Decrease in Inventories	(16,436)	(2,184)	11,363	1,820	--	(5,437)
(Increase) Decrease in Prepaid Items	1,029	50	(897)	1,025	--	1,207
(Increase) Decrease in Deferred Outflows of Resources	(226,783)	(84,809)	(66,776)	(99,852)	--	(478,220)
Increase (Decrease) in Accounts Payable	67,097	2,571	(52,280)	(1,011)	--	16,377
Increase (Decrease) in Accrued Liabilities	(5,782)	(1,891)	(2,272)	(2,774)	--	(12,719)
Revenue	168	--	--	--	--	168
Increase (Decrease) in Compensated Absences Payable	10,569	5,698	711	10,784	--	27,762
Increase (Decrease) in Intergovernmental Payables	(11,183)	281	--	--	--	(10,902)
Deposits	54,270	6,660	1,205	--	--	62,135
Increase (Decrease) in Net Pension Liability	307,343	114,702	94,035	138,506	--	654,586
Increase (Decrease) in Deferred Inflows of Resources	(46,710)	(17,082)	(19,616)	(25,842)	--	(109,250)
Net Cash Provided (Used) by Operating Activities	$ 3,224,122	$ 46,727	$ 233,944	$ 547,849	$ --	$ 4,052,642
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Contributions of Capital Assets from Governmental Funds	$ --	$ --	$ --	$ 542,347	$ --	$ 542,347
Purchase of Capital Assets on Account	$ --	$ 305,819	$ --	$ --	$ --	$ 305,819
Net Increase (Decrease) in Fair Value of Investments	$ 75,634	$ --	$ --	$ --	$ --	$ 75,634

The notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Adel, Georgia was incorporated in 1889 by an act of the General Assembly of Georgia. The City operates under the Mayor and Council-City Manager form of government. The City provides the following services: general administrative, public safety (police, fire, and inspections), public works (streets and sanitation), and utilities (electric, gas, water, and sewer).

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. 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.

Discretely Presented Component Units

The Cook County Economic Development Commission was established to provide economic development services for the benefit of the citizens of Cook County. Separate financial statements of the Economic Development Commission are not issued.

The Adel Industrial Development Authority was established to promote industrial development through the purchase and sale of land. Separate financial statements of the Industrial Development Authority are not issued.

The Downtown Development Authority of the City of Adel was established to revitalize and redevelop the downtown area of the City. Separate financial statements of the Downtown Development Authority are not issued.

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 nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The discretely presented component units are shown in separate columns in the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category — governmental, proprietary, and fiduciary — are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor

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

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 City reports the following major proprietary funds:

The *Electric Fund* accounts for electricity provided by the City to residents and businesses.

The *Gas Fund* accounts for natural gas provided by the City to residents and businesses.

The *Water Fund* accounts for water provided by the City to residents and businesses.

The *Sewer Fund* accounts for the sewer services provided by the City to residents and businesses.

The *Combined Public Utility System Fund* was used to account for electricity, natural gas, water and sewer services provided to City residents and businesses during the period revenue bonds were outstanding. All activities necessary to provide such services, including financing and related debt service, were included in this fund.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources or economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and

available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting assets and liabilities.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

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

2. Investments

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, repurchase agreements, and obligations of other political subdivisions of Georgia.

Investments for the City, as well as for its component units, are reported at fair value.

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method in the proprietary fund. Inventories of governmental funds are recorded as expenditures when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the proprietary funds and as expenditures when paid in the governmental funds.

4. 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 which exceeds certain capitalization thresholds and an estimated useful life in excess of two years. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value

excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation. Land and construction in progress are not depreciated. The property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Capitalization Thresholds	Estimated Service Life
Buildings	$ 10,000	30-40
Machinery and Equipment	$ 5,000	5-20
Improvements	$ 5,000	10-20
Roads	$ 25,000	15-40
Bridges	$ 25,000	15-40
Sidewalks	$ 25,000	15-40
Electric System	$ 25,000	15-50
Gas System	$ 5,000	30
Water System	$ 5,000	30-40
Sewer System	$ 5,000	30-40

5. 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. Premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as 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.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City has one type of item that qualifies for reporting in this category. It is the deferred outflows related to pensions reported in the government-wide and proprietary fund type statements of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. The item, unavailable revenue, which arises only under a modified accrual basis of accounting, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item is the deferred inflows related to pensions reported in the government-wide and proprietary fund type statements of net position.

7. Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

8. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

9. Fund Balances Policies

Fund balance of governmental funds is reported in various classifications based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance includes amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision making authority.

Assigned fund balance includes amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance is the residual classification for the General Fund. The classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by board approval, commit fund balance. Once approved, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has authorized the Finance Director, City Manager, and Mayor to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional

action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes were levied on August 15, 2016, payable December 22, 2016, and attached as an enforceable lien on property as of January 1, 2016. The billings are considered past due after December 22, 2016, at which time the applicable property is subject to lien, and penalties and interest are assessed.

3. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which are eligible for payment upon separation from City service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopt project-length budgets. All annual appropriations lapse at fiscal year-end.

All departments of the City submit requests for appropriations to the City Manager so that a budget may be prepared. The City Manager and Finance Director prepare and submit a proposed budget to the Mayor and Council for review. The Council holds public hearings and a final budget must be prepared and adopted no later than September 30.

The appropriated budget is prepared by fund, department and expenditure category. The City's Finance Director may make transfers of appropriations within any fund. The adopted budget may be amended by formal action of the Mayor and Council when unexpected modifications are required in estimated revenues and appropriations. The legal level of budgetary control is the department level.

B. Deficit Fund Equity

The following funds had deficit fund equity at September 30, 2016:

CDBG Drainage Capital Projects Fund	$ 61,005
Transportation Enhancement Capital Projects Fund	61,994

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

As of September 30, 2016, $561,495 of the City's bank balance was uninsured or uncollateralized. As of September 30, 2016, the Cook County Economic Development Commission's entire bank balance was insured or collateralized with securities held by the pledging financial institution's trust department or agent in the Commission's name. As of September 30, 2016, the $2,333 of Adel Industrial Development Authority's bank balance was uninsured or uncollateralized. As of September 30, 2016, the Downtown Development Authority's entire bank balance was insured or collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

B. Investments

According to the City's Investment and Cash Management policy, the City shall seek to maximize safety through the following strategies:

1. All City investments shall be federally-insured or fully collateralized to protect investment principal and accrued interest. Emphasis shall be given to Category 1 collateralization (collateral securities held by the City or its agent in the City's name), which is preferable, or Category 2 (collateral securities held by the counter party's trust department or agent in the City's name). Category 3 (collateral not in the City's name) shall be avoided due to higher degree of risk.

2. Market risk shall be avoided by limiting investments to a maximum one year maturity, except for special circumstances where an interest rate differential and certainty of ability to hold the investment to maturity would justify a longer maturity. The City Manager shall approve any exceptions to the one-year maturity limit, and such exceptions will be disclosed to the City Council.

3. Undue credit risk shall be avoided by monitoring the financial condition of financial institutions participating in the City's investment program. Financial institutions shall provide a consolidated report of condition annually and the City shall review credit-worthiness at least annually.

The City is a beneficiary of the Municipal Competitive Trust created in 1999 by the Municipal Electric Authority of Georgia (MEAG) and its member municipalities. The Trust provides a means for participants to deposit funds to be invested at the best prudent rates of return. The trustee has complete authority for management, investment and disbursement of the trust estate. The trustee may invest in all types of investments, which, under the laws of the State of Georgia, is legal for trust beneficiaries or MEAG to invest funds. The Trust accounts are held in Intermediate Tax Restricted, Intermediate Extended Maturity, Intermediate, and Short-Term portfolios. Investments in each of the portfolios consist primarily of U.S. Treasury securities, U.S. Government agency and agency-backed securities, and municipal bonds. The funds in the Flexible Operating accounts of the Trust are invested in securities that are not typically held to maturity. The City does not have any unfunded commitments related to its share of funds in the Flexible Operating account and has the right to withdraw part, or all, of its share of funds in this account at any time. The City's share of this account represents a current unrestricted asset of the City and is reported as a current asset of the Electric fund. The restrictive requirements of the City's share of funds in the other Trust accounts negate the recognition of those accounts until such time as the funds are disbursed for the direct benefit of the City. Any investment into or withdrawal from those accounts are reported as part of the operating expenses of the City in the year incurred. The Trust reports its portfolios at market value, using net asset value (unit price per share) to determine the account balance per beneficiary. The City reports its investment in the Flexible Operating account at fair value based on the net asset values determined by the trustee. The City's position in the accounts is the same as the value of the account shares.

At September 30, 2016 the City had the following investments measured at net asset value:

	# of Shares	Fair Value	Weighted Average Maturity (Months)
Municipal Competitive Trust			
Flexible Operating Account			
Short-term Portfolio	15,388.493	$ 1,541,927	2.53
Intermediate Portfolio	17,879.778	1,794,594	14.28
Intermediate Extended Portfolio	36,822.730	3,762,178	53.12
		$ 7,098,699	

C. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the major funds and the nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General	Nonmajor Governmental Funds	Electric	Gas	Water	Sewer	Combined Public Utility System	Total
Interest	$ 5,998	$ 273	$ --	$ --	$ --	$ --	$ 3,354	$ 9,625
Taxes	671,457	--	--	--	--	--	--	671,457
Accounts	241,401	--	1,704,230	77,651	138,081	291,962	--	2,453,325
Intergovernmental	34,799	195,131	--	--	--	--	--	229,930
Gross Receivables	953,655	195,404	1,704,230	77,651	138,081	291,962	3,354	3,364,337
Less: Allowance for Uncollectibles	(141,325)	--	(656,775)	(32,900)	(92,750)	(176,625)	--	(1,100,375)
	$ 812,330	$ 195,404	$ 1,047,455	$ 44,751	$ 45,331	$ 115,337	$ 3,354	$ 2,263,962

D. Capital Assets

Capital asset activity for the year ended September 30, 2016, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	$ 211,141	$ --	$ --	$ 211,141
Construction in Progress	876,630	831,872	(542,347)	1,166,155
Total Capital Assets, Not Being Depreciated	1,087,771	831,872	(542,347)	1,377,296
Capital Assets, Being Depreciated				
Buildings	2,428,977	--	--	2,428,977
Infrastructure	10,971,682	--	--	10,971,682
Improvements Other Than Buildings	1,409,051	--	--	1,409,051
Machinery and Equipment	4,448,876	53,099	(29,675)	4,472,300
Total Capital Assets, Being Depreciated	19,258,586	53,099	(29,675)	19,282,010
Less Accumulated Depreciation For				
Buildings	(1,708,200)	(43,478)	--	(1,751,678)
Infrastructure	(9,298,894)	(277,558)	--	(9,576,452)
Improvements Other Than Buildings	(955,183)	(30,351)	--	(985,534)
Machinery and Equipment	(3,437,783)	(219,066)	29,675	(3,627,174)
Total Accumulated Depreciation	(15,400,060)	(570,453)	29,675	(15,940,838)
Total Capital Assets, Being Depreciated, Net	3,858,526	(517,354)	--	3,341,172
Governmental Activities Capital Assets, Net	$ 4,946,297	$ 314,518	$ (542,347)	$ 4,718,468

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated				
Land	$ 896,191	$ --	$ --	$ 896,191
Construction in Progress	344,436	3,150,096	--	3,494,532
Total Capital Assets, Not Being Depreciated	1,240,627	3,150,096	--	4,390,723
Capital Assets, Being Depreciated				
Buildings and System	21,578,958	565,639	--	22,144,597
Improvements Other Than Buildings	121,444	--	--	121,444
Machinery and Equipment	2,159,691	64,602	(32,938)	2,191,355
Total Capital Assets, Being Depreciated	23,860,093	630,241	(32,938)	24,457,396
Less Accumulated Depreciation For				
Buildings and System	(15,019,686)	(381,762)	--	(15,401,448)
Improvements Other Than Buildings	(83,112)	(2,681)	--	(85,793)
Machinery and Equipment	(1,724,260)	(95,922)	12,939	(1,807,243)
Total Accumulated Depreciation	(16,827,058)	(480,365)	12,939	(17,294,484)
Total Capital Assets, Being Depreciated, Net	7,033,035	149,876	(19,999)	7,162,912
Business-Type Activities Capital Assets, Net	$ 8,273,662	$ 3,299,972	$ (19,999)	$ 11,553,635

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

Governmental Activities	
General Government	$ 20,545
Public Safety	162,269
Public Works	373,256
Culture and Recreation	14,383
Total Depreciation Expense	$ 570,453
Business-type Activities	
Electric	$ 156,627
Gas	30,110
Water	112,693
Sewer	180,936
Total Depreciation Expense	$ 480,366

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2016 was as follows:

Due From / To Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 133,022
General Fund	Water Enterprise Fund	1,117,062
General Fund	Gas Enterprise Fund	1,398,053
Nonmajor Governmental Funds	General Fund	495
Electric Enterprise Fund	General Fund	3,815,269
Gas Enterprise Fund	Electric Enterprise Fund	31,157
Gas Enterprise Fund	Water Enterprise Fund	4,572
Water Enterprise Fund	Electric Enterprise Fund	393,974
Water Enterprise Fund	Sewer Enterprise Fund	625,331
Sewer Enterprise Fund	General Fund	1,895,820
Sewer Enterprise Fund	Electric Enterprise Fund	62,888
Sewer Enterprise Fund	Gas Enterprise Fund	83,050
Combined Public Utility System Enterprise Fund	General Fund	399
		$ 9,561,092

The outstanding balances between funds result mainly from the time lag between the dates that (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. The Gas Fund payable to the General Fund totaling $1,398,053 primarily consists of the unreimbursed costs of the gas line extension to Lenox. The General Fund payables to the Enterprise Funds totaling $5,711,089 primarily consist of unreimbursed collections of payments on utility customer accounts.

The composition of interfund transfers for the year ended September 30, 2016 was as follows:

Interfund Transfers:

Transfer In	Transfer Out	Amount
General Fund	Electric Enterprise Fund	$ 1,243,221
General Fund	Gas Enterprise Fund	61,996
General Fund	Water Enterprise Fund	61,396
General Fund	Sewer Enterprise Fund	93,971
Nonmajor Governmental Funds	General Fund	13,189
Nonmajor Governmental Funds	Nonmajor Governmental Funds	23,891
		$ 1,497,664

The General Fund received annually budgeted transfers of $1,460,584 from Enterprise Funds. The General Fund transferred $13,189 to a Nonmajor Governmental Fund to finance police technology expenditures. A Nonmajor Governmental Fund transferred $23,891 to finance recreation expenditures. Governmental Funds transferred capital assets of $542,347 to the Sewer Fund.

F. Lease Obligations

The City has entered into lease agreements as lessee for financing the acquisition of capital assets. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Amortization for the period is included in depreciation.

Capital assets subject to lease obligations at September 30, 2016 were as follows:

	Governmental Activities
Machinery and Equipment	$ 1,027,244
Less: Accumulated Depreciation	(703,876)
Total	$ 323,368

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2016, were as follows:

Year Ending September 30	Governmental Activities
2017	$ 161,208
2018	48,249
2019	21,991
Total Minimum Lease Payments	231,448
Less: Amounts Representing Interest	(7,500)
Present Value of Minimum Lease Payments	$ 223,948

G. Long-Term Debt

Notes Payable

On March 7, 2014, the City executed a note with the United States Department of Agriculture for the purchase of a mini pumper fire truck. The loan was in the amount of $94,213 to be repaid in sixty monthly payments of $1,714 with interest at 3.50%. The balance at September 30, 2016 was $49,129.

On August 21, 2015, the City executed a note with the United States Department of Agriculture for the purchase of police communications equipment. The loan was in the amount of $28,600 to be repaid in five annual payments of $6,357 with interest at 3.625%. The balance at September 30, 2016 was $23,279.

On March 18, 2015, the City executed a promissory note with the Georgia Environmental Finance Authority, Drinking Water State Revolving Fund, to finance a meter replacement project and other improvements. The City had drawn $659,957 at September 30, 2016. The loan amount is expected to be $1,145,872 payable in monthly amounts for 20 years at 1.31%. Repayment is expected to begin November 1, 2017 with an estimated monthly payment of $4,344. At September 30, 2016, the balance outstanding was $659,957.

On April 15, 2004, the City executed a promissory note with the Georgia Environmental Finance Authority for $387,218 with interest at 3.82% for the Wastewater Disinfection Upgrade. The note is being repaid in sixty quarterly payments of $8,508. At September 30, 2016, the balance outstanding was $101,930.

Debt service requirements to maturity for the notes payable as of September 30, 2016 were as follows:

Year Ending	Governmental Activities			Business-type Activities		
September 30	Principal	Interest	Total	Principal	Interest	Total
2017	$ 24,679	$ 2,258	$ 26,937	$ 27,060	$ 3,423	$ 30,483
2018	25,561	1,376	26,937	68,189	10,078	78,267
2019	16,035	535	16,570	73,253	9,358	82,611
2020	6,133	224	6,357	62,634	7,272	69,906
2021	--	--	--	45,447	6,681	52,128
2022 - 2026	--	--	--	236,381	24,259	260,640
2027 - 2031	--	--	--	248,923	8,267	257,190
Total	$ 72,408	$ 4,393	$ 76,801	$ 761,887	$ 69,338	$ 831,225

Two private companies conveyed 350 acres of land to the Industrial Development Authority for an industrial park site in exchange for an agreement to repay the companies $5,000 per acre for each acre of the park sold by the Authority at 6.5% interest. The agreement also required the Authority to re-convey to the companies any of the land not sold within 15 years. The Authority recorded an asset and a corresponding note payable for the land based upon the agreed upon price of $5,000 per acre. On October 18, 2011, the Authority re-negotiated the terms of the agreement to provide for payment in full for the property and a $165,000 reduction of principal. The note is being repaid in six annual payments of $166,667. At September 30, 2016, the balance outstanding was $333,334.

H. Changes in General Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	$ 215,484	$ 5,244	$ --	$ 220,728	$ --
Net Pension Liability	51,876	1,743,402	(485,616)	1,309,662	--
Capital Leases	442,210	--	(218,262)	223,948	155,563
Notes Payable	96,236	--	(23,828)	72,408	24,679
	$ 805,806	$ 1,748,646	$ (727,706)	$ 1,826,746	$ 180,242
Business-type Activities					
Compensated Absences	$ 47,797	$ 27,762	$ --	$ 75,559	$ --
Net Pension Liability	26,513	906,666	(252,080)	681,099	--
Capital Leases	52,522	--	(52,522)	--	--
Notes Payable	127,977	659,957	(26,047)	761,887	27,060
	$ 254,809	$ 1,594,385	$ (330,649)	$ 1,518,545	$ 27,060
Industrial Development Authority					
Notes Payable	$ 500,000	$ --	$ (166,666)	$ 333,334	$ 166,667
	$ 500,000	$ --	$ (166,666)	$ 333,334	$ 166,667

For Governmental activities, claims and judgments, compensated absences, and pension liabilities are generally liquidated by the General Fund.

I. Pensions

Defined Benefit Plan

The City sponsors a defined benefit pension plan which provides retirement and death benefits to plan participants and beneficiaries. The plan, through execution of the adoption agreement, is an agent multiple-employer pension plan, administered by the Georgia Municipal Employees Benefit System (GMEBS). GMEBS, in its role as the Plan Sponsor, has the authority to amend the provisions of the GMEBS Master Plan and the elective provisions of the adoption agreement, as provided in Article XVIII, Section 2, of the GMEBS Master Defined Benefit Plan Document. The City has the authority to amend the adoption agreement, which defines the specific benefit provisions of the plan, as provided in Article XVIII, Section 1, of the GMEBS Master Defined Benefit Plan Document. The City's participation in the plan, benefit provisions, and other requirements are established by City ordinance. GMEBS issues a financial report that may be obtained by writing to Georgia Municipal Employees Benefit System, 201 Pryor Street SW, Atlanta, Georgia 30303.

Retirement benefits for regular employees are calculated as 2% of the employee's final average earnings (annual average of earnings for the 5 consecutive years of credited service preceding the participant's most recent termination in which participants earnings were the highest) multiplied by years of total credit service as an eligible regular employee. Regular employees are eligible for normal retirement benefits at age 65 with 5 years of total credited service or at age 55 with 30 years of total credited service. Normal retirement benefits for elected or appointed members of the City Council are calculated as $22 per month for each year of total credited service or major fraction thereof. Pre-retirement death benefits are payable monthly and are equal to the decreased monthly retirement benefit that would have otherwise been payable to the participant as if the 100% joint and survivor benefit had been elected.

Benefit terms provide for a variable annual cost-of-living adjustment, not to exceed 2%, in the amount of benefits being received by retired participants and beneficiaries, which shall be calculated and paid in accordance with the terms of the master plan.

At January 1, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	9
Active employees	135
	166

City employees are required to contribute 6.2% of their covered pay. The Board of Trustees of GMEBS has adopted an actuarial funding policy for determination of annual required contributions to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). Annual contributions made in accordance with the funding policy, which requires a different funding level, will meet the minimum funding standards. The contribution requirements of employees and the City are established by City ordinance. For the year ended September 30, 2016, the City's actuarially determined contribution was $302,393.

The City's net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016.

The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.75%
Inflation	3.25%
Salary increases	3.25% plus service based merit increases

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.

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	50 %	5.95 %
International Equity	15	6.45
Fixed Income	25	1.55
Real Estate	10	3.75
Cash	0	0.00

The discount rate used to measure the total pension liability was 7.75%. 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 City contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances - Beginning	$ 11,086,367	$ 11,007,978	$ 78,389
Changes for the Year			
Service Cost	588,059	--	588,059
Interest	843,056	--	843,056
Differences Between Expected and Actual Experience	319,708	--	319,708
Changes of Assumptions	877,732	--	877,732
Contributions - Employer	--	381,714	(381,714)
Contributions - Employee	--	231,993	(231,993)
Net Investement Income	--	123,989	(123,989)
Benefit Payments	(416,440)	(416,440)	--
Administrative Expense	--	(21,513)	21,513
Other Changes	--	--	--
Net Changes	2,212,115	299,743	1,912,372
Balances - Ending	$ 13,298,482	$ 11,307,721	$ 1,990,761

The assumed entry age was changed to account for service purchases. This change in assumption affected the measurement of the total pension liability.

The following presents the City's net pension liability calculated using the discount rate of 7.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Net Pension Liability	$ 3,737,385	$ 1,990,761	$ 577,681

For the year ended September 30, 2016, the City recognized pension expense of $564,937. At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 268,417	$ --
Changes in assumptions	731,445	327,096
Net difference between projected and actual earnings on pension plan investments	404,999	--
Contributions subsequent to the measurement date	372,742	--
	$ 1,777,603	$ 327,096

Contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the subsequent year. The other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30	
2017	$ 204,235
2018	204,235
2019	204,235
2020	265,486
2021	199,574
Thereafter	--
	$ 1,077,765

Defined Contribution Plan

The City also provides pension benefits for its employees through the City of Adel Defined Contribution Retirement Plan administered by Nationwide Retirement Solutions. In a defined contribution plan, benefits are paid solely on amounts contributed to the plan plus invested earnings. Employees are eligible to participate immediately upon becoming employed. An employee may elect to become a participant by executing a participation agreement and consenting to defer a portion of compensation by a reduction of salary of the annual deferral amount specified in the participation agreement. The administrator may establish a minimum deferral amount, currently 5% of compensation, and change such minimum deferral amounts from time to time. The City is not required to make employer contributions. All contribution and other requirements are established by City ordinance. For the year ended September 30, 2016, the City did not contribute to the plan and employee deferrals were $59,003.

J. Restricted Assets

The balances of the restricted asset accounts in the governmental and enterprise funds were as follows:

	Governmental Activities
Confiscated Funds	$ 44,861
Technology Account	56,776
	$ 101,637

K. Fund Balances

The classifications of fund balances of governmental funds at September 30, 2016 were as follows:

	General	Other Governmental Funds	Total Governmental Funds
Nonspendable			
Due from Component Unit	$ 115,191	$ --	$ 115,191
	115,191	--	115,191
Restricted			
Public Safety	$ --	$ 101,072	$ 101,072
Capital Outlay	--	989,285	989,285
	--	1,090,357	1,090,357
Assigned			
Culture and Recreation	--	435,530	435,530
Capital Outlay	183,100	321,892	504,992
Other Purposes	20,867	--	20,867
	203,967	757,422	961,389
Unassigned, Reported In			
General Fund	4,554,266	--	4,554,266
Capital Projects Funds	--	(122,999)	(122,999)
	4,554,266	(122,999)	4,431,267
Total Fund Balances	$4,873,424	$ 1,724,780	$ 6,598,204

L. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. For workers compensation, the City carries commercial insurance. For other risks, the City is a member of the Georgia Interlocal Risk Management Agency. The agency operates under the authority of O.C.G.A. 36-85-1 et Seq. and administers group self-insurance funds which receive contributions from its members in order to pool the risks of general liability, motor vehicle liability, and property damage. Through participation in the agency, members jointly purchase insurance with other municipalities participating in and belonging to the agency and are coinsured under master policies with the total premium apportioned among the participants. The City is jointly and severally liable for all legal obligations of the funds which arise out of an event that occurs while the City is a member of the fund. The City's deductibles for insurance coverage start at $1,000 with various limits of liability up to $5,000,000 for liability and $24,061,699 for property.

M. Commitments and Contingencies

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Amounts received or receivable from grantor agencies, federal and state, are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In the opinion of City management, such disallowances, if any, will not be significant to the City’s financial statements.

Electrical Power Contract - In March 1976, the City of Adel and the Municipal Electric Authority of Georgia (MEAG) entered into a contract under which MEAG is to provide bulk electrical power to the City. In return, the City agreed to pay its participant share of MEAG’s cost of generating and transmitting power. The term of the contract will continue in

full force until such time, not exceeding 50 years, as all of MEAG's bonds have been paid or until such time as MEAG is retired from service, whichever is later. Each member participant is responsible for their pro-rata share of MEAG's bonds until paid. MEAG is obligated to periodically review the rates it charges member cities for power purchases. MEAG Power is also required to determine at the end of each power supply year, the sufficiency of the amounts paid by participants to recover MEAG Power's applicable costs for the year. Recent year-end settlements have resulted in net billings to participants exceeding actual costs, reserve requirements, and other assessments. These settlements are finalized after the fiscal year-end and the amounts received in the current year are for the previous fiscal years settlement and are reported as part of the operating expenses of the City in the year the settlement is received.

Distribution and Marketing Business Unit Contracts - In November 1998, the City agreed to enter into a contract with MEAG in furtherance of its power sales contract. Continuing changes in the electric industry, such as deregulation of wholesale electric supply, and changes in retail structure created a need for a business unit to function as a division of MEAG to facilitate the delivery of distribution, marketing, and related services to member cities needing such services. Under the services contract with MEAG, the City received services related to electrical distribution such as training and safety, technical support, meter testing, and services related to marketing, such as pricing and sales support, energy services, major account support, and local economic development. In March 2009, the City entered into an agreement with Electric Cities of Georgia, Inc. to provide such services until June 30, 2012 and automatically extending for additional twelve month periods on each successive anniversary date of the contract.

Municipal Competitive Trust - On May 3, 1999, the City adopted Resolution 99-7 approving its execution of a trust agreement with MEAG and other member cities creating the Municipal Competitive Trust. The Competitive Trust was established to accumulate and grow, through common investment, a substantial fund to be utilized by the participants to mitigate the high fixed cost related to Plant Vogtle Unit Nos. 1 and 2 and the impacts that may result from the deregulation of the electric industry in Georgia. It was initially funded with certain rate stabilization and debt service reserve funds and was comprised of the Reserve Funded Debt, Credit Support Operating and Flexible Operating accounts. Participants currently contribute funds into the Flexible Operating, as well as the New Generation and Capacity Funding (discussed below) accounts on an elective basis. With the exception of the Flexible Operating account and the New Generation and Capacity Funding account, the funds in the Competitive Trust have been retained and invested in securities typically held to maturity. Changes impacting the balance in the Competitive Trust result from investment earnings and additional participants' contributions, which are offset by scheduled distributions to participants.

During 2008 and 2009, several amendments to the terms of the Competitive Trust authorized MEAG Power, on behalf of the participants executing such amendments to, among other things:

Apply funds from certain Competitive Trust accounts for the purpose of lowering the participants' annual generation billings from MEAG Power during the period 2009 through 2018 (Trust Transfers); and

Establish the New Generation and Capacity Funding account to permit the participants to fund their share of the acquisition and construction costs of any future MEAG Power generation project joined by such participants (including the Vogtle Units 3&4 Projects), as well as funding of capacity purchases proposed by MEAG Power, purchase of additional entitlement shares or obligation shares of existing MEAG Power projects and for mitigation of certain bulk power supply cost increases.

If not otherwise expended, funds in the Credit Support Operating account and Reserve Funded Debt account may be withdrawn on or after December 31, 2018 and 2025, respectively, and funds in the New Generation and Capacity Funding Account may be withdrawn after January 1, 2037. An external trustee holds the funds in the Competitive Trust and maintains balances on an individual participant basis.

No beneficiary shall have any interest in the account of any other beneficiary. The City has the right to withdraw part, or all, of its share of funds in the Flexible Operating account at any time. Since the funds in this account represent a current unrestricted asset of the City, the balance is reported as a current asset in the balance sheet of the Electric

fund. The restrictive requirements for use of the funds in the other accounts negate the recognition of those accounts until such time as the funds are disbursed for the direct benefit of the City. Any investment into or withdrawal from these accounts are reported as part of the operating expenses of the City in the year incurred.

Municipal Gas Authority of Georgia Contract - According to the terms of a contract, as amended, with Municipal Gas Authority of Georgia (MGAG), the City is committed to purchase gas supplies from MGAG through December 31, 2040. Pursuant to the agreement in order to finance project costs, MGAG was authorized to issue bonds in series through the close of business on December 31, 2014, with a maximum principal amount outstanding at any one time of $1,500,000,000 and a final maturity not to exceed 15 years from the date of issuance of each series. In the event that at any time project costs payable by MGAG are in excess of the revenues of the Authority available for the purpose of paying the same or reserve funds, the City is obligated to pay its share of such excess. The obligation of the City to make payments to the Authority under these contracts constitutes a general obligation of the City.

Telecommunications Project - In 1996, the City entered into an agreement as a participant in a Telecommunications Project with the Municipal Electric Authority of Georgia (MEAG) to construct a telecommunications system. MEAG owns, operates and maintains the Telecommunications Project. The Telecommunications Project consists of telecommunications facilities, fibers and other equipment acquired, constructed and installed by MEAG for the purpose of providing telecommunications capabilities to participants, and to Project One for the operation of the transmission facilities, and to others in order to achieve economies of scale and improve the economics of the Telecommunications Project. As a participant, the City's obligation share in the project is 3.6167%. Under the agreement, as amended, the City elected to prepay the amount it owed for Debt Service attributable to its interest in the Telecommunications Project.

N. Related Organizations

Related organizations are excluded from the financial reporting entity because the City's accountability does not extend beyond making appointments. Related organizations are described as follows:

Housing Authority of the City of Adel - The Authority administers Federal funding and/or other financing for improvement of housing conditions in the City. The five members of the governing board are appointed by the Mayor and Council. The City has no significant influence over management, budget, or policies of the Authority. The Authority reports independently.

O. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the South Georgia area, is a member of the Southern Georgia Regional Commission and is required to pay annual dues thereto. During its year ended September 30, 2016, the City paid $10,745 in such dues. Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the regional commission in Georgia. The regional commission board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from:

Southern Georgia Regional Commission
327 West Savannah Ave.
Valdosta, Georgia 31601

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ADEL, GEORGIA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance With Final
	Original	Final	Amounts	Budget
REVENUES				
Taxes	$ 1,638,250	$ 1,713,725	$ 1,652,357	$ (61,368)
Licenses and Permits	16,000	19,100	19,100	--
Intergovernmental	88,800	88,800	76,033	(12,767)
Charges for Services	923,050	934,725	930,237	(4,488)
Fines and Forfeitures	950,000	950,000	690,486	(259,514)
Interest Revenue	18,400	20,750	20,755	5
Contributions and Donations	--	4,625	4,741	116
Miscellaneous	21,000	27,375	27,149	(226)
Total Revenues	3,655,500	3,759,100	3,420,858	(338,242)
EXPENDITURES				
Mayor and Council	124,650	111,800	111,692	108
Elections	5,500	3,350	3,341	9
Administration	504,750	514,325	511,309	3,016
Attorney	6,600	6,000	6,000	--
Judge	26,900	26,925	26,914	11
Police	2,079,550	1,949,725	1,949,230	495
Fire	1,120,000	1,122,125	1,121,770	355
Volunteer Fire	54,075	48,125	48,015	110
Animal Control	80,400	76,375	76,063	312
Street	688,200	1,104,100	1,103,720	380
Sanitation	916,425	854,725	854,405	320
Maintenance	150,875	93,400	93,099	301
Parks	23,600	13,575	13,522	53
Inspection	14,250	13,775	13,751	24
Total Expenditures	5,795,775	5,938,325	5,932,831	5,494
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,140,275)	(2,179,225)	(2,511,973)	(332,748)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,455,500	1,479,375	1,460,584	(18,791)
Proceeds of Capital Asset Dispositions	--	725	750	25
Total Other Financing Sources (Uses)	1,455,500	1,480,100	1,461,334	(18,766)
Net Change in Fund Balances	(684,775)	(699,125)	(1,050,639)	(351,514)
Fund Balances - Beginning	5,924,063	5,924,063	5,924,063	--
Fund Balances - Ending	$ 5,239,288	$ 5,224,938	$ 4,873,424	$ (351,514)

CITY OF ADEL, GEORGIA
Pension Plan
Schedule of Changes in the City's Net Pension Liability and Related Ratios
September 30, 2016

	2016	2015
Total Pension Liability		
Service Cost	$ 588,059	$ 591,133
Interest on Total Pension Liability	843,056	802,428
Changes of Benefit Terms	--	--
Differences Between Expected and Actual Experience	319,708	2,990
Changes of Assumptions	877,732	(490,645)
Benefit Payments	(416,440)	(346,903)
Net Change in Total Pension Liability	2,212,115	559,003
Total Pension Liability - Beginning	11,086,367	10,527,364
Total Pension Liability - Ending (a)	$ 13,298,482	$ 11,086,367
Plan Fiduciary Net Position		
Contributions - Employer	$ 381,714	$ 571,236
Contributions - Employee	231,993	374,429
Net Investment Income	123,989	1,055,047
Benefit Payments, Including Refunds of Employee Contributions	(416,440)	(346,903)
Administrative Expense	(21,513)	(16,530)
Other	--	--
Net Change in Plan Fiduciary Net Position	299,743	1,637,279
Plan Fiduciary Net Position - Beginning	11,007,978	9,370,699
Plan Fiduciary Net Position - Ending (b)	$ 11,307,721	$ 11,007,978
City's Net Pension Liability - Ending (a) - (b)	$ 1,990,761	$ 78,389
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.03%	99.29%
Covered-Employee Payroll	$ 3,552,948	$ 3,436,256
City's Net Pension Liability as a Percentage of Covered-Employee Payroll	56.03%	2.28%

CITY OF ADEL, GEORGIA
Pension Plan
Schedule of City Contributions
September 30, 2016

	2016	2015
Actuarially Determined Contribution	$ 302,393	$ 376,573
Contributions in Relation to the Actuarially Determined Contribution	361,690	381,714
Contribution Deficiency (Excess)	$ (59,297)	$ (5,141)
Covered-Employee Payroll	$ 3,552,948	$ 3,436,256
Contributions as a Percentage of Covered-Employee Payroll	10.18%	11.11%

Notes to Schedule

Valuation date	January 1, 2015
Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Net effective period of 23 years
Asset valuation method	Sum of actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Investment rate of return	7.75%
Inflation	3.25%
Salary increases	3.5% plus service based merit increases
Cost-of-living adjustment	2%
Retirement age	Earlier of 65 with 5 years of service or 55 with 30 years of service
Mortality	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The presentation of expenditures reported in the General Fund *Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual* differs from the *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds* due to the functional classification of certain expenditures. The following schedule presents a reconciliation of those amounts.

	Budget Schedule	Reconciliation	Governmental Fund Statement
EXPENDITURES			
Current			
General Government			
Mayor and Council	$ 111,692	$ --	$ 111,692
Elections	3,341	--	3,341
Administration	511,309	(112,859)	398,450
Attorney	6,000	--	6,000
	632,342	(112,859)	519,483
Judicial	26,914	--	26,914
Public Safety			
Police	1,949,230	(69,276)	1,879,954
Fire	1,121,770	(77,745)	1,044,025
Volunteer Fire	48,015	--	48,015
Animal Control	76,063	--	76,063
	3,195,078	(147,021)	3,048,057
Public Works			
Street	1,103,720	(41,391)	1,062,329
Sanitation	854,405	(75,749)	778,656
Maintenance	93,099	--	93,099
Other Public Works	--	4,200	4,200
	2,051,224	(112,940)	1,938,284
Culture and Recreation			
Recreation	--	--	--
Parks	13,522	--	13,522
Other Culture and Recreation	--	33,800	33,800
	13,522	33,800	47,322
Housing and Development			
Inspection	13,751	--	13,751
Other Housing and Development	--	68,500	68,500
	13,751	68,500	82,251
Debt Service	--	257,331	257,331
Total Expenditures	5,932,831	(13,189)	5,919,642
OTHER FINANCING SOURCES (USES)			
Transfers Out	--	13,189	13,189
Total	$ 5,932,831	$ --	$ 5,932,831

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Major Governmental Funds

General Fund

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

CITY OF ADEL, GEORGIA
General Fund
Balance Sheet
September 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	$ 7,656,036	$ 9,586,702
Receivables (Net of Allowance for Uncollectibles)		
Interest	5,998	4,546
Taxes	643,457	693,439
Accounts	128,076	112,021
Intergovernmental	34,799	42,437
Due from Other Funds		
Adel-Cook County Recreation Special Revenue Fund	10,023	43,799
CDBG Drainage Project Capital Projects Fund	61,005	145,078
Transportation Enhancement Capital Projects Fund	61,994	27,184
Recreation Project Capital Projects Fund	--	65,117
Gas Enterprise Fund	1,398,053	--
Water Enterprise Fund	1,117,062	291,631
Due from Component Unit	115,191	115,191
Total Assets	$ 11,231,694	$ 11,127,145
LIABILITIES		
Accounts Payable	$ 130,487	$ 127,498
Accrued Liabilities	27,369	52,637
Intergovernmental Payable	557	566
Due to Other Funds		
Confiscated Assets Special Revenue Fund	245	245
Technology Special Revenue Fund	250	441
Electric Enterprise Fund	3,815,269	2,953,389
Gas Enterprise Fund	--	58,582
Sewer Enterprise Fund	1,895,820	1,415,799
Combined Public Utility System Enterprise Fund	399	400
Customer Deposits	1,250	1,250
Total Liabilities	5,871,646	4,610,807
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue		
Property Taxes	486,624	592,275
Total Deferred Inflows of Resources	486,624	592,275
FUND BALANCES		
Nonspendable	115,191	115,191
Assigned	203,967	203,967
Unassigned	4,554,266	5,604,905
Total Fund Balances	4,873,424	5,924,063
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 11,231,694	$ 11,127,145

CITY OF ADEL, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended September 30, 2016 and 2015

	2016	2015
REVENUES		
Taxes	$ 1,652,357	$ 1,577,745
Licenses and Permits	19,100	15,950
Intergovernmental	76,033	101,304
Charges for Services	930,237	926,953
Fines and Forfeitures	690,486	886,059
Interest Revenue	20,755	22,137
Contributions and Donations	4,741	1,628
Miscellaneous	27,149	12,695
Total Revenues	3,420,858	3,544,471
EXPENDITURES		
Current		
General Government	519,483	510,934
Judicial	26,914	29,596
Public Safety	3,048,057	3,130,716
Public Works	1,938,284	1,648,725
Culture and Recreation	47,322	55,817
Housing and Development	82,251	179,324
Debt Service	257,331	241,595
Total Expenditures	5,919,642	5,796,707
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,498,784)	(2,252,236)
OTHER FINANCING SOURCES (USES)		
Transfers In		
Electric Enterprise Fund	1,243,221	1,096,075
Gas Enterprise Fund	61,996	60,750
Water Enterprise Fund	61,396	71,800
Sewer Enterprise Fund	93,971	127,475
Transfers Out		
Technology Special Revenue Fund	(13,189)	(16,525)
Industrial Park Capital Projects Fund	--	(232,881)
Proceeds of Capital Asset Dispositions	750	3,823
Notes Payable	--	28,600
Capital Leases	--	108,183
Total Other Financing Sources (Uses)	1,448,145	1,247,300
Net Change in Fund Balances	(1,050,639)	(1,004,936)
Fund Balances - Beginning	5,924,063	6,928,999
Fund Balances - Ending	$ 4,873,424	$ 5,924,063

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Confiscated Assets Fund - This fund is used to account for the funds received from cash confiscations and sales of capital assets acquired from drug raids.

Technology Fund - This fund is used to account for fines collected through the imposition of a technology surcharge.

Adel-Cook County Recreation Fund - This fund is used to account for the funds used to provide the parks and recreation program of the Cook County Countywide Recreation Board.

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

1% Special Purpose Local Option Sales Tax (SPLOST) Fund - This fund is used to account for proceeds of the 1% special purpose local option sales tax used to finance capital projects.

1% Special Purpose Local Option Sales Tax (SPLOST) 2010 Fund - This fund is used to account for proceeds of the 1% special purpose local option sales tax used to finance capital projects, effective October 1, 2011 through September 30, 2017.

CDBG Drainage Project - This fund is used to account for the proceeds of a community development block grant used to finance a storm-water drainage project.

Transportation Enhancement - This fund is used to account for the proceeds of a Georgia Department of Transportation grant used to finance a pedestrian facilities project.

Recreation Project - This fund is used to account for the financial resources to be used to finance a major recreation facilities project.

CITY OF ADEL, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016

	Special Revenue Funds			
	Confiscated Assets	Technology	Adel-Cook County Recreation	Total
ASSETS				
Cash and Cash Equivalents	$ --	$ --	$ 449,099	$ 449,099
Cash and Cash Equivalents	44,861	56,776	--	101,637
Receivables	--	--	103,419	103,419
Due from Other Funds	245	250	--	495
Total Assets	$ 45,106	$ 57,026	$ 552,518	$ 654,650
LIABILITIES				
Accounts Payable	$ 490	$ 570	$ 3,819	$ 4,879
Intergovernmental Payable	--	--	--	--
Due to Other Funds	--	--	10,023	10,023
Total Liabilities	490	570	13,842	14,902
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue				
Intergovernmental	--	--	103,146	103,146
Total Deferred Inflows Of Resources	--	--	103,146	103,146
FUND BALANCES				
Restricted	44,616	56,456	--	101,072
Assigned	--	--	435,530	435,530
Unassigned	--	--	--	--
Total Fund Balances	44,616	56,456	435,530	536,602
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 45,106	$ 57,026	$ 552,518	$ 654,650

Capital Projects Funds						Total Nonmajor Governmental Funds
SPLOST	SPLOST 2010	CDBG Drainage	Transportation Enhancement	Recreation Project	Total	
$ 347,577	$ 600,603	$ --	$ --	$ 321,892	$ 1,270,072	$ 1,719,171
--	--	--	--	--	--	101,637
--	41,105	--	50,880	--	91,985	195,404
--	--	--	--	--	--	495
$ 347,577	$ 641,708	$ --	$ 50,880	$ 321,892	$ 1,362,057	$ 2,016,707
$ --	$ --	$ --	$ --	$ --	$ --	$ 4,879
--	--	--	--	--	--	--
--	--	61,005	61,994	--	122,999	133,022
--	--	61,005	61,994	--	122,999	137,901
--	--	--	50,880	--	50,880	154,026
--	--	--	50,880	--	50,880	154,026
347,577	641,708	--	--	--	989,285	1,090,357
--	--	--	--	321,892	321,892	757,422
--	--	(61,005)	(61,994)	--	(122,999)	(122,999)
347,577	641,708	(61,005)	(61,994)	321,892	1,188,178	1,724,780
$ 347,577	$ 641,708	$ --	$ 50,880	$ 321,892	$ 1,362,057	$ 2,016,707

CITY OF ADEL, GEORGIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2016

	Special Revenue Funds			
	Confiscated Assets	Technology	Adel-Cook County Recreation	Total
REVENUES				
Intergovernmental	$ --	$ --	$ 334,476	$ 334,476
Charges for Services	--	--	83,327	83,327
Fines and Forfeitures	12,646	--	--	12,646
Interest Revenue	49	--	626	675
Total Revenues	12,695	--	418,429	431,124
EXPENDITURES				
Current				
Public Safety	5,792	12,197	--	17,989
Culture and Recreation	--	--	495,413	495,413
Capital Outlay	19,995	--	25,210	45,205
Total Expenditures	25,787	12,197	520,623	558,607
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,092)	(12,197)	(102,194)	(127,483)
OTHER FINANCING SOURCES (USES)				
Transfers In	--	13,189	23,891	37,080
Transfers Out	--	--	--	--
Total Other Financing Sources (Uses)	--	13,189	23,891	37,080
Net Change in Fund Balances	(13,092)	992	(78,303)	(90,403)
Fund Balances - Beginning	57,708	55,464	513,833	627,005
Fund Balances - Ending	$ 44,616	$ 56,456	$ 435,530	$ 536,602

Capital Projects Funds						Total Nonmajor Governmental Funds
SPLOST	SPLOST 2010	CDBG Drainage	Transportation Enhancement	Recreation Project	Total	
$ --	$ 244,883	$ 122,846	$ 199,120	$ --	$ 566,849	$ 901,325
--	--	--	--	--	--	83,327
--	--	--	--	--	--	12,646
310	570	--	--	2,624	3,504	4,179
310	245,453	122,846	199,120	2,624	570,353	1,001,477
--	--	--	--	--	--	17,989
--	--	--	--	--	--	495,413
--	--	41,312	291,150	--	332,462	377,667
--	--	41,312	291,150	--	332,462	891,069
310	245,453	81,534	(92,030)	2,624	237,891	110,408
--	--	--	--	--	--	37,080
--	--	--	--	(23,891)	(23,891)	(23,891)
--	--	--	--	(23,891)	(23,891)	13,189
310	245,453	81,534	(92,030)	(21,267)	214,000	123,597
347,267	396,255	(142,539)	30,036	343,159	974,178	1,601,183
$ 347,577	$ 641,708	$ (61,005)	$ (61,994)	$ 321,892	$ 1,188,178	$ 1,724,780

CITY OF ADEL, GEORGIA
Confiscated Assets Special Revenue Fund
Balance Sheet
September 30, 2016 and 2015

	2016	2015
ASSETS		
Restricted Assets		
Cash and Cash Equivalents	$ 44,861	$ 57,971
Due from Other Funds		
General Fund	245	245
Total Assets	$ 45,106	$ 58,216
LIABILITIES		
Accounts Payable	$ 490	$ 263
Intergovernmental Payable	--	245
Total Liabilities	490	508
FUND BALANCES		
Restricted	44,616	57,708
Total Fund Balances	44,616	57,708
Total Liabilities and Fund Balances	$ 45,106	$ 58,216

CITY OF ADEL, GEORGIA
Confiscated Assets Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended September 30, 2016 and 2015

	2016	2015
REVENUES		
Fines and Forfeitures	$ 12,646	$ 12,446
Interest Revenue	49	68
Total Revenues	12,695	12,514
EXPENDITURES		
Current		
Public Safety	5,792	10,903
Capital Outlay	19,995	--
Total Expenditures	25,787	10,903
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,092)	1,611
Net Change in Fund Balances	(13,092)	1,611
Fund Balances - Beginning	57,708	56,097
Fund Balances - Ending	$ 44,616	$ 57,708

CITY OF ADEL, GEORGIA
Confiscated Assets Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2016

	Budget	Actual	Variance
REVENUES			
Fines and Forfeitures	$ --	$ 12,646	$ 12,646
Interest Revenue	--	49	49
Total Revenues	--	12,695	12,695
EXPENDITURES			
Current			
Public Safety	--	5,792	(5,792)
Capital Outlay	25,800	19,995	5,805
Total Expenditures	25,800	25,787	13
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,800)	(13,092)	12,708
Net Change in Fund Balances	(25,800)	(13,092)	12,708
Fund Balances - Beginning	57,708	57,708	--
Fund Balances - Ending	$ 31,908	$ 44,616	$ 12,708

CITY OF ADEL, GEORGIA
Technology Special Revenue Fund
Balance Sheet
September 30, 2016 and 2015

	2016	2015
ASSETS		
Restricted Assets		
Cash and Cash Equivalents	$ 56,776	$ 55,023
Due from Other Funds		
General Fund	250	441
Total Assets	$ 57,026	$ 55,464
LIABILITIES		
Accounts Payable	$ 570	$ --
Total Liabilities	570	--
FUND BALANCES		
Restricted	56,456	55,464
Total Fund Balances	56,456	55,464
Total Liabilities and Fund Balances	$ 57,026	$ 55,464

CITY OF ADEL, GEORGIA
Technology Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended September 30, 2016 and 2015

	2016	2015
EXPENDITURES		
Current		
Public Safety	$ 12,197	$ 8,162
Total Expenditures	12,197	8,162
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,197)	(8,162)
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	13,189	16,525
Total Other Financing Sources (Uses)	13,189	16,525
Net Change in Fund Balances	992	8,363
Fund Balances - Beginning	55,464	47,101
Fund Balances - Ending	$ 56,456	$ 55,464

CITY OF ADEL, GEORGIA
Technology Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2016

	Budget	Actual	Variance
EXPENDITURES			
Current			
Public Safety	$ 14,500	$ 12,197	$ 2,303
Total Expenditures	14,500	12,197	2,303
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,500)	(12,197)	2,303
OTHER FINANCING SOURCES (USES)			
Transfers In			
General Fund	14,500	13,189	(1,311)
Total Other Financing Sources (Uses)	14,500	13,189	(1,311)
Net Change in Fund Balances	--	992	992
Fund Balances - Beginning	55,464	55,464	--
Fund Balances - Ending	$ 55,464	$ 56,456	$ 992

CITY OF ADEL, GEORGIA
Adel-Cook County Recreation Special Revenue Fund
Balance Sheet
September 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	$ 449,099	$ 499,504
Receivables		
Interest	273	273
Intergovernmental	103,146	225,204
Total Assets	$ 552,518	$ 724,981
LIABILITIES		
Accounts Payable	$ 3,819	$ 1,899
Due to Other Funds		
General Fund	10,023	43,799
Total Liabilities	13,842	45,698
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue		
Intergovernmental	103,146	165,450
Total Deferred Inflows of Resources	103,146	165,450
FUND BALANCES		
Assigned	435,530	513,833
Total Fund Balances	435,530	513,833
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 552,518	$ 724,981

CITY OF ADEL, GEORGIA
Adel-Cook County Recreation Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended September 30, 2016 and 2015

	2016	2015
REVENUES		
Intergovernmental	$ 334,476	$ 419,898
Charges for Services	83,327	87,645
Interest Revenue	626	2,815
Total Revenues	418,429	510,358
EXPENDITURES		
Current		
Culture and Recreation	495,413	454,533
Capital Outlay	25,210	4,458
Total Expenditures	520,623	458,991
Excess (Deficiency) of Revenues Over (Under) Expenditures	(102,194)	51,367
OTHER FINANCING SOURCES (USES)		
Transfers In		
Recreation Project Capital Projects Fund	23,891	--
Total Other Financing Sources (Uses)	23,891	--
Net Change in Fund Balances	(78,303)	51,367
Fund Balances - Beginning	513,833	462,466
Fund Balances - Ending	$ 435,530	$ 513,833

CITY OF ADEL, GEORGIA
Adel-Cook County Recreation Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2016

	Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 446,900	$ 334,476	$ (112,424)
Charges for Services	75,000	83,327	8,327
Interest Revenue	--	626	626
Total Revenues	521,900	418,429	(103,471)
EXPENDITURES			
Current			
Culture and Recreation	487,600	495,413	(7,813)
Capital Outlay	34,300	25,210	9,090
Total Expenditures	521,900	520,623	1,277
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	(102,194)	(102,194)
OTHER FINANCING SOURCES (USES)			
Transfers In			
Recreation Project Capital Projects Fund	--	23,891	23,891
Total Other Financing Sources (Uses)	--	23,891	23,891
Net Change in Fund Balances	--	(78,303)	(78,303)
Fund Balances - Beginning	513,833	513,833	--
Fund Balances - Ending	$ 513,833	$ 435,530	$ (78,303)

CITY OF ADEL, GEORGIA
SPLOST Capital Projects Fund
Balance Sheet
September 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	$ 347,577	$ 347,267
Total Assets	$ 347,577	$ 347,267
FUND BALANCES		
Restricted	$ 347,577	$ 347,267
Total Fund Balances	$ 347,577	$ 347,267

CITY OF ADEL, GEORGIA
SPLOST Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended September 30, 2016 and 2015

	2016	2015
REVENUES		
Interest Revenue	$ 310	$ 417
Total Revenues	310	417
Excess (Deficiency) of Revenues Over (Under) Expenditures	310	417
Net Change in Fund Balances	310	417
Fund Balances - Beginning	347,267	346,850
Fund Balances - Ending	$ 347,577	$ 347,267

CITY OF ADEL, GEORGIA
SPLOST 2010 Capital Projects Fund
Balance Sheet
September 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	$ 600,603	$ 357,636
Receivables		
Intergovernmental	41,105	38,619
Total Assets	$ 641,708	$ 396,255
FUND BALANCES		
Restricted	$ 641,708	$ 396,255
Total Fund Balances	$ 641,708	$ 396,255

CITY OF ADEL, GEORGIA
SPLOST 2010 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended September 30, 2016 and 2015

	2016	2015
REVENUES		
Intergovernmental	$ 244,883	$ 229,622
Interest Revenue	570	579
Total Revenues	245,453	230,201
EXPENDITURES		
Capital Outlay	--	236,803
Total Expenditures	--	236,803
Excess (Deficiency) of Revenues Over (Under) Expenditures	245,453	(6,602)
Net Change in Fund Balances	245,453	(6,602)
Fund Balances - Beginning	396,255	402,857
Fund Balances - Ending	$ 641,708	$ 396,255

CITY OF ADEL, GEORGIA
CDBG Drainage Capital Projects Fund
Balance Sheet
September 30, 2016 and 2015

	2016	2015
ASSETS		
Receivables		
Intergovernmental	$ --	$ 93,864
Total Assets	$ --	$ 93,864
LIABILITIES		
Accounts Payable	$ --	$ 91,325
Due to Other Funds		
General Fund	61,005	145,078
Total Liabilities	61,005	236,403
FUND BALANCES		
Unassigned	(61,005)	(142,539)
Total Fund Balances	(61,005)	(142,539)
Total Liabilities and Fund Balances	$ --	$ 93,864

CITY OF ADEL, GEORGIA
CDBG Drainage Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended September 30, 2016 and 2015

	2016	2015
REVENUES		
Intergovernmental	$ 122,846	$ 358,496
Total Revenues	122,846	358,496
EXPENDITURES		
Capital Outlay		
Engineering	2,691	29,370
Flood and Drainage	16,597	434,650
Administration	21,905	7,500
Contingencies	119	511
Total Expenditures	41,312	472,031
Excess (Deficiency) of Revenues Over (Under) Expenditures	81,534	(113,535)
Net Change in Fund Balances	81,534	(113,535)
Fund Balances - Beginning	(142,539)	(29,004)
Fund Balances - Ending	$ (61,005)	$ (142,539)

CITY OF ADEL, GEORGIA
CDBG Drainage Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended September 30, 2016

	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES				
Intergovernmental	$ 490,000	$ 358,496	$ 122,846	$ 481,342
Total Revenues	490,000	358,496	122,846	481,342
EXPENDITURES				
Capital Outlay				
Engineering	50,700	58,284	2,691	60,975
Flood and Drainage	438,000	434,650	16,597	451,247
Administration	29,400	7,500	21,905	29,405
Contingencies	21,900	601	119	720
Total Expenditures	540,000	501,035	41,312	542,347
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	(142,539)	81,534	(61,005)
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	50,000	--	--	--
Total Other Financing Sources (Uses)	50,000	--	--	--
Net Change in Fund Balances	$ --	$ (142,539)	81,534	$ (61,005)
Fund Balances - Beginning			(142,539)	
Fund Balances - Ending			$ (61,005)	

CITY OF ADEL, GEORGIA
Transportation Enhancement Capital Projects Fund
Balance Sheet
September 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	$ --	$ 57,500
Receivables		
Intergovernmental	50,880	--
Total Assets	$ 50,880	$ 57,500
LIABILITIES		
Accounts Payable	$ --	$ 280
Due to Other Funds		
General Fund	61,994	27,184
Total Liabilities	61,994	27,464
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue		
Intergovernmental	50,880	--
Total Deferred Inflows of Resources	50,880	--
FUND BALANCES		
Assigned	--	30,036
Unassigned	(61,994)	--
Total Fund Balances	(61,994)	30,036
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 50,880	$ 57,500

CITY OF ADEL, GEORGIA
Transportation Enhancement Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended September 30, 2016 and 2015

	2016	2015
REVENUES		
Intergovernmental	$ 199,120	$ --
Total Revenues	199,120	--
EXPENDITURES		
Capital Outlay	291,150	4,137
Total Expenditures	291,150	4,137
Excess (Deficiency) of Revenues Over (Under) Expenditures	(92,030)	(4,137)
Net Change in Fund Balances	(92,030)	(4,137)
Fund Balances - Beginning	30,036	34,173
Fund Balances - Ending	$ (61,994)	$ 30,036

CITY OF ADEL, GEORGIA

Transportation Enhancement Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended September 30, 2016

	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES				
Intergovernmental	$ 250,000	$ --	$ 199,120	$ 199,120
Total Revenues	250,000	--	199,120	199,120
EXPENDITURES				
Capital Outlay	312,500	32,464	291,150	323,614
Total Expenditures	312,500	32,464	291,150	323,614
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,500)	(32,464)	(92,030)	(124,494)
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	62,500	62,500	--	62,500
Total Other Financing Sources (Uses)	62,500	62,500	--	62,500
Net Change in Fund Balances	$ --	$ 30,036	(92,030)	$ (61,994)
Fund Balances - Beginning			30,036	
Fund Balances - Ending			$ (61,994)	

CITY OF ADEL, GEORGIA
Recreation Project Capital Projects Fund
Balance Sheet
September 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	$ 321,892	$ 408,276
Total Assets	$ 321,892	$ 408,276
LIABILITIES		
Due to Other Funds		
General Fund	$ --	$ 65,117
Total Liabilities	--	65,117
FUND BALANCES		
Assigned	321,892	343,159
Total Liabilities and Fund Balances	$ 321,892	$ 408,276

CITY OF ADEL, GEORGIA
Recreation Project Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended September 30, 2016 and 2015

	2016	2015
REVENUES		
Interest Revenue	$ 2,624	$ 2,619
Total Revenues	2,624	2,619
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,624	2,619
OTHER FINANCING SOURCES (USES)		
Transfers Out		
Adel-Cook County Recreation Special Revenue Fund	(23,891)	--
Total Other Financing Sources (Uses)	(23,891)	--
Net Change in Fund Balances	(21,267)	2,619
Fund Balances - Beginning	343,159	340,540
Fund Balances - Ending	$ 321,892	$ 343,159

Major Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the City's Council is that costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City's Council has decided that periodic determination of net income is appropriate for accountability purposes.

Electric Fund - This fund is used to account for electricity provided to City residents and businesses.

Gas Fund - This fund is used to account for natural gas provided to City residents and businesses.

Water Fund - This fund is used to account for water provided to City residents and businesses.

Sewer Fund - This fund is used to account for sewer services provided to City residents and businesses.

Combined Public Utility System Authority Fund - This fund was originally used to account for electricity, natural gas, water and sewer services provided to City residents and businesses during the period revenue bonds were outstanding. All activities necessary to provide such services, including financing and related debt service, were included in this fund.

CITY OF ADEL, GEORGIA
Electric Enterprise Fund
Statement of Net Position
September 30, 2016 and 2015

	2016	2015
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 149,606	$ 257,069
Investments	7,098,699	6,400,406
Receivables (Net of Allowance for Uncollectibles)		
Accounts	1,047,455	1,072,192
Due from Other Funds		
General Fund	3,815,269	2,953,389
Inventories	724,818	708,382
Prepaid Items	8,240	9,269
Total Current Assets	12,844,087	11,400,707
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	39,979	39,979
Construction in Progress	685,137	--
Capital Assets Net of Accumulated Depreciation		
Buildings and System	4,447,261	4,435,021
Improvements Other than Buildings	64,306	64,306
Machinery and Equipment	1,201,511	1,175,085
Accumulated Depreciation	(4,556,534)	(4,399,907)
Total Capital Assets Net of Accumulated Depreciation	1,881,660	1,314,484
Total Noncurrent Assets	1,881,660	1,314,484
Total Assets	14,725,747	12,715,191
DEFERRED OUTFLOWS OF RESOURCES		
Pension	285,049	58,266
Total Deferred Outflows of Resources	285,049	58,266
LIABILITIES		
Current Liabilities		
Accounts Payable	820,191	753,094
Accrued Liabilities	5,781	11,563
Intergovernmental Payable	43,560	54,743
Due to Other Funds		
Gas Enterprise Fund	31,157	26,444
Water Enterprise Fund	393,974	376,143
Sewer Enterprise Fund	62,888	62,888
Unearned Revenue	9,248	9,080
Customer Deposits	425,459	371,189
Total Current Liabilities	1,792,258	1,665,144
Noncurrent Liabilities		
Compensated Absences	43,734	33,165
Net Pension Liability	319,231	11,888
Total Noncurrent Liabilities	362,965	45,053
Total Liabilities	2,155,223	1,710,197
DEFERRED INFLOWS OF RESOURCES		
Pension	52,452	99,162
Total Deferred Inflows of Resources	52,452	99,162
NET POSITION		
Net Investment in Capital Assets	1,881,660	1,314,484
Unrestricted	10,921,461	9,649,614
Total Net Position	$ 12,803,121	$ 10,964,098

CITY OF ADEL, GEORGIA
Electric Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended September 30, 2016 and 2015

	2016	2015
OPERATING REVENUES		
Charges for Services	$ 12,248,629	$ 12,795,943
Total Operating Revenues	12,248,629	12,795,943
OPERATING EXPENSES		
Personal Services and Employee Benefits	861,967	751,731
Purchased/Contracted Services	354,924	273,826
Supplies	7,965,935	8,026,081
Depreciation	156,627	171,789
Total Operating Expenses	9,339,453	9,223,427
Operating Income (Loss)	2,909,176	3,572,516
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	113	99
Investment Earnings	172,955	59,454
Gain (Loss) on Disposition of Capital Assets	--	6,019
Total Nonoperating Revenues (Expenses)	173,068	65,572
Income (Loss) Before Contributions and Transfers	3,082,244	3,638,088
Transfers Out		
General Fund	(1,243,221)	(1,096,075)
Changes in Net Position	1,839,023	2,542,013
Net Position - Beginning	10,964,098	8,422,085
Net Position - Ending	$ 12,803,121	$ 10,964,098

CITY OF ADEL, GEORGIA
Electric Enterprise Fund
Statement of Cash Flows
For the Years Ended September 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	$ 12,316,621	$ 12,814,844
Payments to Suppliers	(8,269,169)	(8,322,992)
Payments to Employees	(823,330)	(779,205)
Net Cash Provided (Used) by Operating Activities	3,224,122	3,712,647
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to Other Funds	(1,243,221)	(1,096,075)
Due from Other Funds	(861,880)	(2,037,484)
Due to Other Funds	22,544	56,943
Net Cash Provided (Used) by Noncapital Financing Activities	(2,082,557)	(3,076,616)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(723,803)	(189,486)
Proceeds from Sales of Capital Assets	--	6,019
Net Cash Provided (Used) by Capital and Related Financing Activities	(723,803)	(183,467)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	--	3,500,000
Purchase of Investments	(622,659)	(3,977,784)
Interest Received	113	99
Dividends Received	97,321	40,329
Net Cash Provided (Used) by Investing Activities	(525,225)	(437,356)
Net Increase (Decrease) in Cash and Cash Equivalents	(107,463)	15,208
Cash and Cash Equivalents - Beginning of Year	257,069	241,861
Cash and Cash Equivalents - End of Year	$ 149,606	$ 257,069
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 2,909,176	$ 3,572,516
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	156,627	171,789
(Increase) Decrease in Accounts Receivable	24,737	17,252
(Increase) Decrease in Due from Other Funds	--	55,136
(Increase) Decrease in Inventories	(16,436)	(35,400)
(Increase) Decrease in Prepaid Items	1,029	181
(Increase) Decrease in Deferred Outflows of Resources	(226,783)	25,497
Increase (Decrease) in Accounts Payable	67,097	(43,002)
Increase (Decrease) in Accrued Liabilities	(5,782)	1,939
Increase (Decrease) in Unearned Revenue	168	9,080
Increase (Decrease) in Compensated Absences Payable	10,569	4,170
Increase (Decrease) in Intergovernmental Payables	(11,183)	(8,431)
Increase (Decrease) in Customer Deposits	54,270	1,000
Increase (Decrease) in Net Pension Liability	307,343	(158,242)
Increase (Decrease) in Deferred Inflows of Resources	(46,710)	99,162
Net Cash Provided (Used) by Operating Activities	$ 3,224,122	$ 3,712,647
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Net Increase (Decrease) in Fair Value of Investments	$ 75,634	$ 19,127

CITY OF ADEL, GEORGIA
Gas Enterprise Fund
Statement of Net Position
September 30, 2016 and 2015

	2016	2015
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 94,384	$ 118,726
Receivables (Net of Allowance for Uncollectibles)		
Accounts	44,751	32,193
Due from Other Funds		
General Fund	--	58,582
Electric Enterprise Fund	31,157	26,444
Water Enterprise Fund	4,572	5,331
Inventories	35,497	33,313
Prepaid Items	2,465	2,515
Total Current Assets	212,826	277,104
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Construction in Progress	1,803,492	58,639
Capital Assets Net of Accumulated Depreciation		
Buildings and System	1,197,572	1,197,572
Machinery and Equipment	206,199	191,999
Accumulated Depreciation	(1,014,753)	(984,643)
Total Capital Assets Net of Accumulated Depreciation	2,192,510	463,567
Total Noncurrent Assets	2,192,510	463,567
Total Assets	2,405,336	740,671
DEFERRED OUTFLOWS OF RESOURCES		
Pension	106,344	21,535
Total Deferred Outflows of Resources	106,344	21,535
LIABILITIES		
Current Liabilities		
Accounts Payable	358,191	49,801
Accrued Liabilities	1,723	3,614
Intergovernmental Payable	7,786	7,505
Due to Other Funds		
General Fund	1,398,053	--
Sewer Enterprise Fund	83,050	91,570
Customer Deposits	32,220	25,560
Total Current Liabilities	1,881,023	178,050
Noncurrent Liabilities		
Compensated Absences	12,731	7,033
Net Pension Liability	119,096	4,394
Total Noncurrent Liabilities	131,827	11,427
Total Liabilities	2,012,850	189,477
DEFERRED INFLOWS OF RESOURCES		
Pension	19,568	36,650
Total Deferred Inflows of Resources	19,568	36,650
NET POSITION		
Net Investment in Capital Assets	2,192,510	463,567
Unrestricted	(1,713,248)	72,512
Total Net Position	$ 479,262	$ 536,079

CITY OF ADEL, GEORGIA
Gas Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended September 30, 2016 and 2015

	2016	2015
OPERATING REVENUES		
Charges for Services	$ 897,592	$ 971,466
Total Operating Revenues	897,592	971,466
OPERATING EXPENSES		
Personal Services and Employee Benefits	315,622	282,807
Purchased/Contracted Services	71,904	68,227
Supplies	474,777	555,499
Depreciation	30,110	28,038
Total Operating Expenses	892,413	934,571
Operating Income (Loss)	5,179	36,895
NONOPERATING REVENUES (EXPENSES)		
Gain (Loss) on Disposition of Capital Assets	--	2,410
Total Nonoperating Revenues (Expenses)	--	2,410
Income (Loss) Before Contributions and Transfers	5,179	39,305
Transfers Out		
General Fund	(61,996)	(60,750)
Changes in Net Position	(56,817)	(21,445)
Net Position - Beginning	536,079	557,524
Net Position - Ending	$ 479,262	$ 536,079

CITY OF ADEL, GEORGIA
Gas Enterprise Fund
Statement of Cash Flows
For the Years Ended September 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	$ 891,975	$ 977,239
Payments to Suppliers	(546,244)	(683,997)
Payments to Employees	(299,004)	(294,277)
Net Cash Provided (Used) by Operating Activities	46,727	(1,035)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to Other Funds	(61,996)	(60,750)
Due from Other Funds	54,628	209,139
Due to Other Funds	1,389,533	(8,575)
Net Cash Provided (Used) by Noncapital Financing Activities	1,382,165	139,814
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(1,453,234)	(85,444)
Proceeds from Sales of Capital Assets	--	2,410
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,453,234)	(83,034)
Net Increase (Decrease) in Cash and Cash Equivalents	(24,342)	55,745
Cash and Cash Equivalents - Beginning of Year	118,726	62,981
Cash and Cash Equivalents - End of Year	$ 94,384	$ 118,726
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 5,179	$ 36,895
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	30,110	28,038
(Increase) Decrease in Accounts Receivable	(12,558)	1,676
(Increase) Decrease in Inventories	(2,184)	(582)
(Increase) Decrease in Prepaid Items	50	169
(Increase) Decrease in Deferred Outflows of Resources	(84,809)	7,876
Increase (Decrease) in Accounts Payable	2,571	(4,722)
Increase (Decrease) in Accrued Liabilities	(1,891)	500
Increase (Decrease) in Compensated Absences Payable	5,698	2,137
Increase (Decrease) in Intergovernmental Payables	281	(113)
Increase (Decrease) in Due to Other Funds	--	(55,136)
Increase (Decrease) in Customer Deposits	6,660	4,210
Increase (Decrease) in Net Pension Liability	114,702	(58,633)
Increase (Decrease) in Deferred Inflows of Resources	(17,082)	36,650
Net Cash Provided (Used) by Operating Activities	$ 46,727	$ (1,035)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Purchase of Capital Assets on Account	$ 305,819	$ --

CITY OF ADEL, GEORGIA
Water Enterprise Fund
Statement of Net Position
September 30, 2016 and 2015

	2016	2015
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 828,084	$ 87,615
Receivables (Net of Allowance for Uncollectibles)		
Accounts	45,331	46,352
Due from Other Funds		
Electric Enterprise Fund	393,974	376,143
Sewer Enterprise Fund	625,331	483,244
Inventories	69,438	80,801
Prepaid Items	6,372	5,475
Total Current Assets	1,968,530	1,079,630
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	5,175	5,175
Construction in Progress	1,005,903	285,797
Capital Assets Net of Accumulated Depreciation		
Buildings and System	6,107,997	6,107,997
Improvements Other than Buildings	10,253	10,253
Machinery and Equipment	371,433	380,395
Accumulated Depreciation	(4,474,872)	(4,375,119)
Total Capital Assets Net of Accumulated Depreciation	3,025,889	2,414,498
Total Noncurrent Assets	3,025,889	2,414,498
Total Assets	4,994,419	3,494,128
DEFERRED OUTFLOWS OF RESOURCES		
Pension	87,795	21,019
Total Deferred Outflows of Resources	87,795	21,019
LIABILITIES		
Current Liabilities		
Accounts Payable	38,976	91,256
Accrued Liabilities	1,251	3,523
Due to Other Funds		
General Fund	1,117,062	291,631
Gas Enterprise Fund	4,572	5,331
Customer Deposits	14,919	13,714
Capital Leases Payable	--	26,261
Total Current Liabilities	1,176,780	431,716
Noncurrent Liabilities		
Compensated Absences	2,731	2,020
Net Pension Liability	98,323	4,288
Notes Payable	659,957	--
Total Noncurrent Liabilities	761,011	6,308
Total Liabilities	1,937,791	438,024
DEFERRED INFLOWS OF RESOURCES		
Pension	16,155	35,771
Total Deferred Inflows of Resources	16,155	35,771
NET POSITION		
Net Investment in Capital Assets	2,365,932	2,388,237
Unrestricted	762,336	653,115
Total Net Position	$ 3,128,268	$ 3,041,352

CITY OF ADEL, GEORGIA
Water Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended September 30, 2016 and 2015

	2016	2015
OPERATING REVENUES		
Charges for Services	$ 851,681	$ 826,319
Total Operating Revenues	851,681	826,319
OPERATING EXPENSES		
Personal Services and Employee Benefits	261,683	240,790
Purchased/Contracted Services	147,385	164,649
Supplies	175,163	122,119
Depreciation	112,693	121,480
Total Operating Expenses	696,924	649,038
Operating Income (Loss)	154,757	177,281
NONOPERATING REVENUES (EXPENSES)		
Miscellaneous	--	1,528
Interest	(1,763)	(1,116)
Debt Issuance Costs	(6,684)	--
Gain (Loss) on Disposition of Capital Assets	2,002	--
Total Nonoperating Revenues (Expenses)	(6,445)	412
Income (Loss) Before Contributions and Transfers	148,312	177,693
Capital Contributions	--	467,399
Transfers Out		
General Fund	(61,396)	(71,800)
Changes in Net Position	86,916	573,292
Net Position - Beginning	3,041,352	2,468,060
Net Position - Ending	$ 3,128,268	$ 3,041,352

CITY OF ADEL, GEORGIA
Water Enterprise Fund
Statement of Cash Flows
For the Years Ended September 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	$ 853,907	$ 833,357
Payments to Suppliers	(364,362)	(214,307)
Payments to Employees	(255,601)	(262,312)
Net Cash Provided (Used) by Operating Activities	233,944	356,738
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to Other Funds	(61,396)	(71,800)
Due from Other Funds	(159,918)	(192,565)
Due to Other Funds	824,672	248,455
Other	--	1,528
Net Cash Provided (Used) by Noncapital Financing Activities	603,358	(14,382)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Capital Debt	659,957	--
Acquisition and Construction of Capital Assets	(744,082)	(247,535)
Principal Paid on Capital Debt	(26,261)	(6,090)
Interest Paid on Capital Debt	(1,763)	(1,116)
Bond Issue Cost Paid	(6,684)	--
Proceeds from Sales of Capital Assets	22,000	--
Net Cash Provided (Used) by Capital and Related Financing Activities	(96,833)	(254,741)
Net Increase (Decrease) in Cash and Cash Equivalents	740,469	87,615
Cash and Cash Equivalents - Beginning of Year	87,615	--
Cash and Cash Equivalents - End of Year	$ 828,084	$ 87,615
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 154,757	$ 177,281
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	112,693	121,480
(Increase) Decrease in Accounts Receivable	1,021	5,038
(Increase) Decrease in Inventories	11,363	(1,274)
(Increase) Decrease in Prepaid Items	(897)	313
(Increase) Decrease in Deferred Outflows of Resources	(66,776)	10,865
Increase (Decrease) in Accounts Payable	(52,280)	73,422
Increase (Decrease) in Accrued Liabilities	(2,272)	826
Increase (Decrease) in Compensated Absences Payable	711	(9,228)
Increase (Decrease) in Customer Deposits	1,205	2,000
Increase (Decrease) in Net Pension Liability	94,035	(59,756)
Increase (Decrease) in Deferred Inflows of Resources	(19,616)	35,771
Net Cash Provided (Used) by Operating Activities	$ 233,944	$ 356,738
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Contributions of Capital Assets from Governmental Funds	$ --	$ 467,399

CITY OF ADEL, GEORGIA
Sewer Enterprise Fund
Statement of Net Position
September 30, 2016 and 2015

	2016	2015
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 76,657	$ 20,895
Receivables (Net of Allowance for Uncollectibles)		
Accounts	115,337	134,702
Due from Other Funds		
General Fund	1,895,820	1,415,799
Electric Enterprise Fund	62,888	62,888
Gas Enterprise Fund	83,050	91,570
Inventories	6,490	8,310
Prepaid Items	7,259	8,284
Total Current Assets	2,247,501	1,742,448
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	851,037	851,037
Capital Assets Net of Accumulated Depreciation		
Buildings and System	10,391,767	9,838,368
Improvements Other than Buildings	46,885	46,885
Machinery and Equipment	412,212	412,212
Accumulated Depreciation	(7,248,325)	(7,067,389)
Total Capital Assets Net of Accumulated Depreciation	4,453,576	4,081,113
Total Noncurrent Assets	4,453,576	4,081,113
Total Assets	6,701,077	5,823,561
DEFERRED OUTFLOWS OF RESOURCES		
Pension	128,982	29,130
Total Deferred Outflows of Resources	128,982	29,130
LIABILITIES		
Current Liabilities		
Accounts Payable	17,304	18,315
Accrued Liabilities	2,207	4,981
Due to Other Funds		
Water Enterprise Fund	625,331	483,244
Notes Payable	27,060	26,047
Capital Leases Payable	--	26,261
Total Current Liabilities	671,902	558,848
Noncurrent Liabilities		
Compensated Absences	16,363	5,579
Net Pension Liability	144,449	5,943
Notes Payable	74,870	101,930
Total Noncurrent Liabilities	235,682	113,452
Total Liabilities	907,584	672,300
DEFERRED INFLOWS OF RESOURCES		
Pension	23,734	49,576
Total Deferred Inflows of Resources	23,734	49,576
NET POSITION		
Net Investment in Capital Assets	4,351,646	3,926,875
Unrestricted	1,547,095	1,203,940
Total Net Position	$ 5,898,741	$ 5,130,815

CITY OF ADEL, GEORGIA
Sewer Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended September 30, 2016 and 2015

	2016	2015
OPERATING REVENUES		
Charges for Services	$ 1,137,963	$ 1,167,240
Total Operating Revenues	1,137,963	1,167,240
OPERATING EXPENSES		
Personal Services and Employee Benefits	360,966	336,828
Purchased/Contracted Services	118,250	148,401
Supplies	152,919	152,480
Depreciation	180,936	186,353
Total Operating Expenses	813,071	824,062
Operating Income (Loss)	324,892	343,178
NONOPERATING REVENUES (EXPENSES)		
Interest	(5,342)	(6,527)
Total Nonoperating Revenues (Expenses)	(5,342)	(6,527)
Income (Loss) Before Contributions and Transfers	319,550	336,651
Capital Contributions	542,347	40,963
Transfers Out		
General Fund	(93,971)	(127,475)
Changes in Net Position	767,926	250,139
Net Position - Beginning	5,130,815	4,880,676
Net Position - Ending	$ 5,898,741	$ 5,130,815

CITY OF ADEL, GEORGIA
Sewer Enterprise Fund
Statement of Cash Flows
For the Years Ended September 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	$ 1,157,328	$ 1,153,004
Payments to Suppliers	(269,335)	(310,514)
Payments to Employees	(340,144)	(367,537)
Net Cash Provided (Used) by Operating Activities	547,849	474,953
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to Other Funds	(93,971)	(127,475)
Due from Other Funds	(471,501)	(475,899)
Due to Other Funds	142,087	161,757
Net Cash Provided (Used) by Noncapital Financing Activities	(423,385)	(441,617)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(11,052)	(30,085)
Principal Paid on Capital Debt	(52,308)	(31,162)
Interest Paid on Capital Debt	(5,342)	(6,527)
Net Cash Provided (Used) by Capital and Related Financing Activities	(68,702)	(67,774)
Net Increase (Decrease) in Cash and Cash Equivalents	55,762	(34,438)
Cash and Cash Equivalents - Beginning of Year	20,895	55,333
Cash and Cash Equivalents - End of Year	$ 76,657	$ 20,895
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 324,892	$ 343,178
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	180,936	186,353
(Increase) Decrease in Accounts Receivable	19,365	(14,237)
(Increase) Decrease in Inventories	1,820	122
(Increase) Decrease in Prepaid Items	1,025	787
(Increase) Decrease in Deferred Outflows of Resources	(99,852)	18,116
Increase (Decrease) in Accounts Payable	(1,011)	(10,541)
Increase (Decrease) in Accrued Liabilities	(2,774)	62
Increase (Decrease) in Compensated Absences Payable	10,784	(8,324)
Increase (Decrease) in Net Pension Liability	138,506	(90,139)
Increase (Decrease) in Deferred Inflows of Resources	(25,842)	49,576
Net Cash Provided (Used) by Operating Activities	$ 547,849	$ 474,953
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Contributions of Capital Assets from Governmental Funds	$ 542,347	$ 40,963

CITY OF ADEL, GEORGIA
Combined Public Utility System Enterprise Fund
Statement of Net Position
September 30, 2016 and 2015

	2016	2015
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 3,815,704	$ 3,802,406
Receivables (Net of Allowance for Uncollectibles)		
Interest	3,354	3,026
Due from Other Funds		
General Fund	399	400
Total Current Assets	3,819,457	3,805,832
Total Assets	3,819,457	3,805,832
NET POSITION		
Unrestricted	3,819,457	3,805,832
Total Net Position	$ 3,819,457	$ 3,805,832

CITY OF ADEL, GEORGIA
Combined Public Utility System Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended September 30, 2016 and 2015

	2016	2015
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	$ 13,625	$ 14,437
Total Nonoperating Revenues (Expenses)	13,625	14,437
Changes in Net Position	13,625	14,437
Net Position - Beginning	3,805,832	3,791,395
Net Position - Ending	$ 3,819,457	$ 3,805,832

CITY OF ADEL, GEORGIA
Combined Public Utility System Enterprise Fund
Statement of Cash Flows
For the Years Ended September 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Due from Other Funds	$ 1	$ (400)
Net Cash Provided (Used) by Noncapital Financing Activities	1	(400)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	13,297	15,645
Net Cash Provided (Used) by Investing Activities	13,297	15,645
Net Increase (Decrease) in Cash and Cash Equivalents	13,298	15,245
Cash and Cash Equivalents - Beginning of Year	3,802,406	3,787,161
Cash and Cash Equivalents - End of Year	$ 3,815,704	$ 3,802,406

SUPPLEMENTAL SCHEDULES

CITY OF ADEL, GEORGIA
General Fund
Schedule of Revenues
For the Years Ended September 30, 2016 and 2015

	2016	2015
REVENUES		
Taxes		
Real Property	$ 680,801	$ 608,334
Personal Property	109,667	126,477
Real Estate Transfer (Intangible)	1,736	2,445
Franchise	79,629	104,491
General Sales and Use	220,719	206,967
Selective Sales and Use	141,112	131,347
Business		
Business and Occupation	80,927	78,988
Insurance Premium	307,232	287,580
Financial Institution	21,230	21,813
Penalties and Interest on Delinquent Taxes	9,304	9,303
	1,652,357	1,577,745
Licenses and Permits		
Business	19,100	15,950
	19,100	15,950
Intergovernmental	76,033	101,304
Charges for Services		
General Government	4,139	4,474
Public Safety	870	592
Public Works	925,228	921,887
	930,237	926,953
Fines and Forfeitures	690,486	886,059
Interest Revenue	20,755	22,137
Contributions and Donations	4,741	1,628
Miscellaneous	27,149	12,695
Total Revenues	$ 3,420,858	$ 3,544,471

CITY OF ADEL, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended September 30, 2016 and 2015

	2016	2015
EXPENDITURES		
Current		
General Government		
Mayor and Council		
Personal Services and Employee Benefits	$ 61,495	$ 54,829
Purchased/Contracted Services	48,933	53,415
Supplies	1,264	2,803
Total Mayor and Council	111,692	111,047
Elections		
Purchased/Contracted Services	3,341	9,182
Total Elections	3,341	9,182
Administration		
Personal Services and Employee Benefits	197,573	231,166
Purchased/Contracted Services	154,379	104,303
Supplies	38,359	34,271
Capital Outlay	--	10,029
Other Costs	8,139	7,936
Total Administration	398,450	387,705
Attorney		
Purchased/Contracted Services	6,000	3,000
Total Attorney	6,000	3,000
Total General Government	519,483	510,934
Judicial		
Judge		
Purchased/Contracted Services	26,914	29,596
Total Judge	26,914	29,596
Total Judicial	26,914	29,596
Public Safety		
Police		
Personal Services and Employee Benefits	1,340,451	1,274,590
Purchased/Contracted Services	122,178	109,866
Supplies	115,678	118,660
Capital Outlay	--	118,212
Other Costs	301,647	346,955
Total Police	1,879,954	1,968,283
Fire		
Personal Services and Employee Benefits	939,660	921,146
Purchased/Contracted Services	58,999	44,521
Supplies	41,630	45,598
Capital Outlay	3,736	23,145
Total Fire	1,044,025	1,034,410

CITY OF ADEL, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended September 30, 2016 and 2015

	2016	2015
Volunteer Fire		
Personal Services and Employee Benefits	45,808	53,653
Purchased/Contracted Services	834	941
Supplies	1,373	346
Total Volunteer Fire	48,015	54,940
Animal Control		
Personal Services and Employee Benefits	50,602	47,582
Purchased/Contracted Services	7,994	7,997
Supplies	17,467	17,504
Total Animal Control	76,063	73,083
Total Public Safety	3,048,057	3,130,716
Public Works		
Street		
Personal Services and Employee Benefits	262,439	275,965
Purchased/Contracted Services	109,746	177,265
Supplies	182,840	181,194
Capital Outlay	507,304	79,519
Total Street	1,062,329	713,943
Sanitation		
Personal Services and Employee Benefits	401,064	446,011
Purchased/Contracted Services	300,636	267,498
Supplies	40,363	52,182
Capital Outlay	31,593	10,314
Other Costs	5,000	7,000
Total Sanitation	778,656	783,005
Maintenance		
Personal Services and Employee Benefits	79,436	124,402
Purchased/Contracted Services	4,910	3,448
Supplies	8,753	17,498
Capital Outlay	--	2,229
Total Maintenance	93,099	147,577
Other Public Works		
Other Costs	4,200	4,200
Total Other Public Works	4,200	4,200
Total Public Works	1,938,284	1,648,725

CITY OF ADEL, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended September 30, 2016 and 2015

	2016	2015
Culture and Recreation		
Parks		
Purchased/Contracted Services	1,517	6,499
Supplies	12,005	12,516
Capital Outlay	--	3,002
Total Parks	13,522	22,017
Other Culture and Recreation		
Other Costs	33,800	33,800
Total Other Culture and Recreation	33,800	33,800
Total Culture and Recreation	47,322	55,817
Housing and Development		
Inspection		
Purchased/Contracted Services	1,501	1,146
Other Costs	12,250	12,250
Total Inspection	13,751	13,396
Other Housing and Development		
Other Costs	68,500	165,928
Total Other Housing and Development	68,500	165,928
Total Housing and Development	82,251	179,324
Debt Service	257,331	241,595
Total Expenditures	$ 5,919,642	$ 5,796,707

CITY OF ADEL, GEORGIA
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended September 30, 2016

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2005 Sales Tax Referendum	$ 1,431,823	$ 1,431,823				88%
(1) Water, Sewer and Natural Gas			$ 404,956	$ --	$ 404,956	
(2) Road, Streets and Bridges			848,807	--	848,807	
(3) Administrative Facilities			--	--	--	
(4) Public Safety Facilities			--	--	--	
	$ 1,431,823	$ 1,431,823	$ 1,253,763	$ --	$ 1,253,763	
SPLOST Capital Projects Fund						
Total Expenditures				$ --		
				$ --		
2010 Sales Tax Referendum	$ 1,400,000	$ 1,400,000				35%
(1) Water, Sewer and Natural Gas			$ --	$ --	$ --	
(2) Road, Streets and Bridges			483,494	--	483,494	
(3) Administrative Facilities			--	--	--	
(4) Public Safety Facilities			--	--	--	
	$ 1,400,000	$ 1,400,000	$ 483,494	$ --	$ 483,494	
SPLOST 2010 Capital Projects Fund						
Total Expenditures				$ --		
				$ --		

CITY OF ADEL, GEORGIA
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2016

Federal Grantor/Pass-Through Grantor/Program Or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing & Urban Development			
Pass-through Program From			
Georgia Department of Community Affairs			
Community Development Block Grant	14.228	13p-x-037-2-5597	$ 122,847
Total U.S. Department of Housing & Urban Development			122,847
U.S. Department of Transportation			
Pass-through Program From			
Georgia Department of Transportation			
Transportation Enhancement	20.205	TEE-10585	199,120
Total U.S. Department of Transportation			199,120
U.S. Environmental Protection Agency			
Loan From			
Georgia Environmental Finance Authority			
Drinking Water State Revolving Fund	66.468	DWSRF 12-004	659,957
Total U.S. Environmental Protection Agency			659,957
Total Expenditures of Federal Awards			$ 981,924

Basis of Presentation

This schedule of expenditures of federal awards includes the federal grant activity of City of Adel, Georgia and is presented on the modified accrual basis of accounting. 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 this schedule presents only a selected portion of the operations of City of Adel, Georgia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of City of Adel, Georgia.

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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 Adel, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Adel, Georgia, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise City of Adel, Georgia's basic financial statements, and have issued our report thereon dated September 27, 2017.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Adel, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do

not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

MEEKS CPA, LLP

Ocilla, Georgia
September 27, 2017

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

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

Report on Compliance for Each Major Federal Program

We have audited City of Adel, 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 Adel, Georgia's major federal programs for the year ended September 30, 2016. City of Adel, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Adel, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we 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. An audit includes examining, on a test basis, evidence about City of Adel, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our 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 Adel, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Adel, 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 September 30, 2016.

Report on Internal Control Over Compliance

Management of City of Adel, 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 our audit of compliance, we considered City of Adel, 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, we do not express an opinion on the effectiveness of City of Adel, 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.

Our 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. We did not identify any deficiencies in internal control over compliance that we 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 our 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.

MEEKS CPA, LLP

Ocilla, Georgia
September 27, 2017

CITY OF ADEL, GEORGIA
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	___ yes	_x_ no
Significant deficiency(ies) identified?	___ yes	_x_ none reported
Noncompliance material to financial statements noted?	___ yes	_x_ no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	___ yes	_x_ no
Significant deficiency(ies) identified?	___ yes	_x_ none reported
Type of auditor's report issued on compliance for major programs:	unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	___ yes	_x_ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
66.468	U.S. Environmental Protection Agency Drinking Water State Revolving Fund

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

Auditee qualified as low-risk auditee?	___ yes	_x_ no

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported