

City of Bainbridge, Georgia

Financial Report

For the Fiscal Year Ended

September 30, 2015

City of Bainbridge, Georgia

Financial Report

For the Fiscal Year Ended September 30, 2015

Prepared by:

The Department of Finance
A Department of the Division of General Administration

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF BAINBRIDGE, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS

	Page(s)
INTRODUCTORY SECTION	
Letter of Transmittal	i-iv
Organizational Chart	v
List of Elected & Appointed Officials	vi
FINANCIAL SECTION	
Independent Auditor's Opinion	1-3
Management's Discussion and Analysis	4-12
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Net Position - Proprietary Funds	18
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	19
Statement of Cash Flows - Proprietary Funds	20, 21
Notes to Financial Statements	22 - 49

CITY OF BAINBRIDGE, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of Changes in the City's Net Pension Liability and Related Ratios 50

Schedule of Contributions 51

Schedules of Funding Progress 52

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General Fund 53, 54

OTHER SUPPLEMENTAL INFORMATION

Nonmajor Governmental Funds:

Combining and Individual Fund Statements and Schedules
Combining Balance Sheet – Nonmajor Governmental Funds 55
Combining State of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 56

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:
Hotel / Motel Tax Fund..... 57
Confiscated Assets Fund..... 58

Internal Service Funds:
Combining Statement of Net Position..... 59
Combining Statement of Revenues, Expenses, and Changes in Net Position 60
Combining Statement of Cash Flows..... 61

COMPLIANCE SECTION

Independent Auditor's Report on Compliance and on Internal Controls Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*.. 62 - 64

Hotel/Motel Tax Schedule of Revenue Received and Expenditures Incurred 65

Schedule of Projects Constructed With Special Option Sales Tax #5 Proceeds 66

Schedule of Projects Constructed With Special Option Sales Tax #6 Proceeds 67



INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

City
of
Bainbridge

Georgia
at Its
Best

P.O. Box 158
Bainbridge, Georgia 39818

www.bainbridgecity.com

Phone (229) 248-2000
Fax (229) 248-2008

City of Bainbridge, Georgia
P. O. Box 158
Bainbridge, GA 39818

February 8, 2016

To the Honorable Mayor, Members of the Board of Alderman, and Citizens of the City of Bainbridge, Georgia:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principals (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Basic Financial Statements of the City of Bainbridge, Georgia for the fiscal year ended September 30, 2015.

This report consists of management's representations concerning the finances of the City of Bainbridge, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Bainbridge, Georgia has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Bainbridge, Georgia's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Bainbridge, Georgia's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Bainbridge, Georgia's financial statements have been audited by Crace Galvis McGrath, LLC a licensed certified public accounting firm. The goal of this independent audit was to provide reasonable assurance that the financial statements of the City of Bainbridge, Georgia for the fiscal year ended September 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis,

evidence supporting that amounts and disclosures in the financial statement; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Bainbridge, Georgia's financial statements for the fiscal year ended September 30, 2015, is fairly presented in conformity with GAAP. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Bainbridge, Georgia's MD&A can be found immediately following the report of the independent auditor.

Profile of the Government

The City of Bainbridge, Georgia, incorporated in 1829, is located in southwestern Georgia in what is considered to be a slow to declining growth area of the state. The City of Bainbridge, Georgia, currently occupies a land area of six square miles and serves a population of approximately 13,000 people. The City of Bainbridge, Georgia is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend is corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Bainbridge, Georgia has operated under the council-manager form of government since 1965. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the government's manager, attorney, municipal judge and independent auditor. The government's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three council members elected every two years. The Mayor is elected to serve a four-year term. Five of the council members are elected by district. The mayor and remaining council member are elected at large. The mayor pro tem is appointed annually by a vote of the council.

The City of Bainbridge, Georgia provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; recreational activities, cultural events, and utility services. The utility services of the City of Bainbridge, Georgia include water, sewer, sewer treatment, garbage collection and disposal, natural gas and fiber.

The annual budget serves as the foundation for the City of Bainbridge, Georgia's financial planning and control. All departments of the City of Bainbridge, Georgia are required to submit requests for appropriation to the government's manager on or before

July 30 of each year. The government's manager uses these requests as the starting point for developing a proposed budget. The government's manager then presents this proposed budget to council for review prior to August 31. The council is required to hold public hearings on this proposed budget and to adopt a final budget no later than September 30, the close of the City of Bainbridge, Georgia's fiscal year. The appropriated budget is prepared by fund, function, and department. The government's manager can make transfers of appropriations within a department, but transfers of appropriations between departments, however, require the special approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Bainbridge, Georgia operates.

Local economy. The City of Bainbridge currently faces many challenges to the overall stability of the local economy. The regions manufacturing, industrial and agricultural sectors have all suffered destabilizing events that have contributed to the current negative trend of the city's unemployment rate. The short term expectation is that this instability will begin to slowly recover with sluggish growth expected. In the long term; it is expected that the areas rich natural resources and the presence of major industries with headquarters or divisions located within the governments boundaries or in close proximity will result in the restoration of economic stability

Long-term financial planning. The governing council has continued to invest in infrastructure projects that are designed to generate revenue. In recent years the city has invested heavily in recreational and other "quality of life" amenities. The city also intends to continue to pursue funding from transportation enhancement grants to continue the improvement of multi modal transportation infrastructure within the city's central business district. All of the projects mentioned are in close proximity to the city's greatest asset, the Flint River and were conceived to generate new revenue for the city.

Several sanitary sewer projects are slated for the future in accordance with the City of Bainbridge, Georgia's Sanitary Sewer Master Plan. Many of these projects will be funded from a combination of sewer assessments, Special Purpose Local Option Sales Tax proceeds, and Community Development Block Grants.

Cash management policies and practices. Cash temporarily idle during the year was invested in certificates of deposits and money market accounts. The maturities of the investments range from 90 days to 13 months, with the average maturity of 12 months. The average yield on investments range from .15 to .7 percent.

Pension and other post employment benefits. The City of Bainbridge, Georgia sponsors a single-employer defined benefit plan for its employees. Each year, an independent actuary engaged by the pension plan calculates the amount of annual required contribution that the City of Bainbridge, Georgia makes to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City of Bainbridge, Georgia funds each year's annual required contribution to the pension plan as determined by the actuary. As a result, the City of Bainbridge, Georgia, as of January 1, 2014, funded 83.71 percent of the present value of the projected benefits earned by employees.

The City of Bainbridge, Georgia also provides postretirement health care benefits for certain retirees and their dependents. As of the end of the fiscal year, there were ten employees receiving these benefits, which are financed on a pay-as-you-go basis.

Acknowledgements

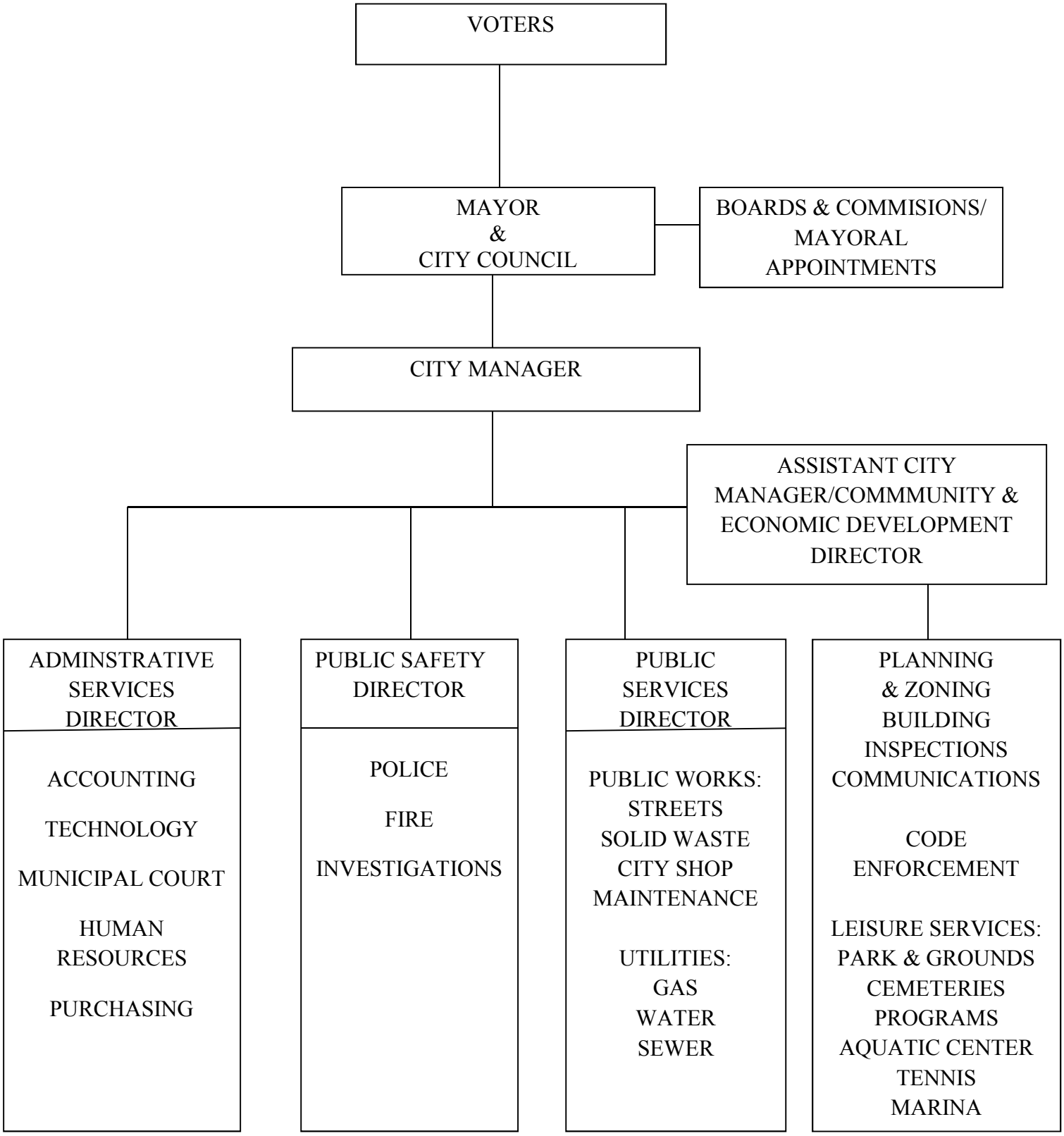
The preparation of this report would not have been possible without the efficient and dedicated staff of the Department of Finance. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also goes to the Mayor and Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Bainbridge, Georgia's finances.

Respectfully submitted,

Chris M. Hobby, City Manager

Lisa H. Taylor, Director of Administrative Services

CITY OF BAINBRIDGE
ORGANIZATION CHART



City of Bainbridge, Georgia
List of Elected and Appointed Officials
September 30, 2015

Elected Officials

Edward Reynolds, Mayor

Board of Aldermen

Roslyn Palmer	Glennie Bench
Joe Sweet	Luther Conyers, Jr.
Phil Long	Don Whaley

Appointed Officials

City Manager	Chris M. Hobby
Attorney	Tom Conger
Director of Administrative Services	Lisa H. Taylor
Director of Economic and Comm. Dev.	Roy Oliver
Director of Public Safety	Jerry Carter
Director of Public Services	Steve Winburn



FINANCIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITOR'S REPORT

The Honorable Edward Reynolds, Mayor
Members of the City of Bainbridge Board of Aldermen
Bainbridge, 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 the City of Bainbridge, Georgia, as of and for the year ended September 30, 2015, 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 Bainbridge, Georgia, as of September 30, 2015 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, Schedule of changes in the City's net pension liability and related ratios, schedule of contributions, schedule of funding progress and budgetary comparison information on pages 4-12 and 50-54 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bainbridge, Georgia's basic financial statements. The introductory section, other supplemental section, and compliance section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Hotel/Motel Tax Schedule of Revenue Received and Expenditures Incurred, and the 1 Percent Sales Tax Schedule of Projects Constructed with Special Sales Tax Proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-13-51, and 48-8-121, respectively, and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules included in the other supplemental section, and the compliance section 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 statements and schedules, and the compliance section are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2016, on our consideration of the City of Bainbridge, 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 the City of Bainbridge, Georgia's internal control over financial reporting and compliance.

Crace Galvis McGrath

Crace Galvis McGrath, LLC
Kennesaw, Georgia

February 15, 2016

Management's Discussion and Analysis

As management of the City of Bainbridge, Georgia (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2015.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iii of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $37,752,312 (net position). Of this amount, $1,005,196 may be used to meet the government's ongoing obligation to citizens and to creditors.

- The government's total net position after restatement decreased by $852,341. This decrease is mostly attributable to the shortfall of revenues of governmental activities.

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $1,970,012 representing a decrease of $394,812. Of this balance, $261,917 is available for spending at the government's discretion (unassigned fund balance). The shortfall is in general fund revenues.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $261,917 or 3% of total general fund expenditures.

- The City's total debt (net of premium) decreased by $1,020,650 during the current fiscal year. For additional information refer to Note 8 of this report.

- As of September 30, 2015, the City owes $16,629,928 of debt government wide net of premium.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government wide financial statements.
The *government wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all the City's assets and liabilities, with the difference between the two reported as *net position.* Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned and unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The governmental activities of the City include general government, judicial, public safety, public works, community development, and leisure services. The business-type activities of the City include water and sewer, sewage treatment, sanitation, natural gas, telecommunications, and marina operations.

The government-wide financial statements can be found on pages 13-14 of this report.

Fund financial statements.
A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like the state and other local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

Governmental Funds. Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government- wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 15-17 of this report.

Proprietary funds. The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, Gas Fund, Sanitation Fund, Telecommunications Fund, and Marina Fund. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the five individual enterprise funds, four of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 18-21 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-46 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the City's progress in funding its obligation to provide pension benefits to its employees and certain other supplementary information.

Required supplemental information can be found on pages 50-54 of this report.

Other supplemental information can be found on pages 55-61 of this report.

Capital Assets Used in the Operation of Governmental Funds. Information pertaining to governmental funds capital assets can be found in note 7 of this report.

Financial Analysis of the City as a Whole

City of Bainbridge -- Net Position

	2015			2014 (As Restated)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current assets	$ 3,622,934	$ 1,710,040	$ 5,332,974	$ 4,474,465	$ 1,124,684	$ 5,599,149
Non-current assets	264,088	149,512	413,600	461,770	32,169	493,939
Capital assets	20,710,811	32,249,513	52,960,324	21,933,941	33,127,879	55,061,820
Total assets	24,597,833	34,109,065	58,706,898	26,870,176	34,284,732	61,154,908
Deferred outflows of resources:	383,981	128,669	512,650	385,086	122,401	507,487
Liabilities:						
Current liabilities	685,430	351,458	1,036,888	986,899	358,025	1,344,924
Non-current liabilities	19,144,980	815,197	19,960,177	20,840,694	872,124	21,712,818
Total liabilities	19,830,410	1,166,655	20,997,065	21,827,593	1,230,149	23,057,742
Deferred inflows of resources:	368,284	101,887	470,171	-	-	-
Net position:						
Net investment in capital assets	4,418,713	32,052,494	36,471,207	4,648,747	33,021,617	37,670,364
Restricted	342,970	-	342,970	378,773	-	378,773
Unrestricted	21,437	916,698	938,135	400,149	155,367	555,516
Total net position	$ 4,783,120	$32,969,192	$37,752,312	$ 5,427,669	$33,176,984	$38,604,653

The City's assets exceed liabilities by $37,752,312 at the close of the most recent fiscal year. Of this amount $4,783,120 came from governmental activities, and $32,969,192 came from business-type activities.

By far the largest portion of the City's net position was comprised of Net Investment In Capital Assets with a balance of $36,471,207 or 96% of total net position. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Additional information about the City’s long term debt and capital assets can be found in Note 7 and Note 8 of this report.

Restricted net position totaled $342,970 or 1% of total net position. The vast majority of this amount represents resources that are designated for construction projects.

The remaining balance of $938,135 or 3% of total net position represents unassigned net position. This may be used to meet the City's obligations to citizen’s and creditors in accordance with the finance-related legal requirements. At the end of the current fiscal year, the City reports positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

City of Bainbridge - Statement of Activities

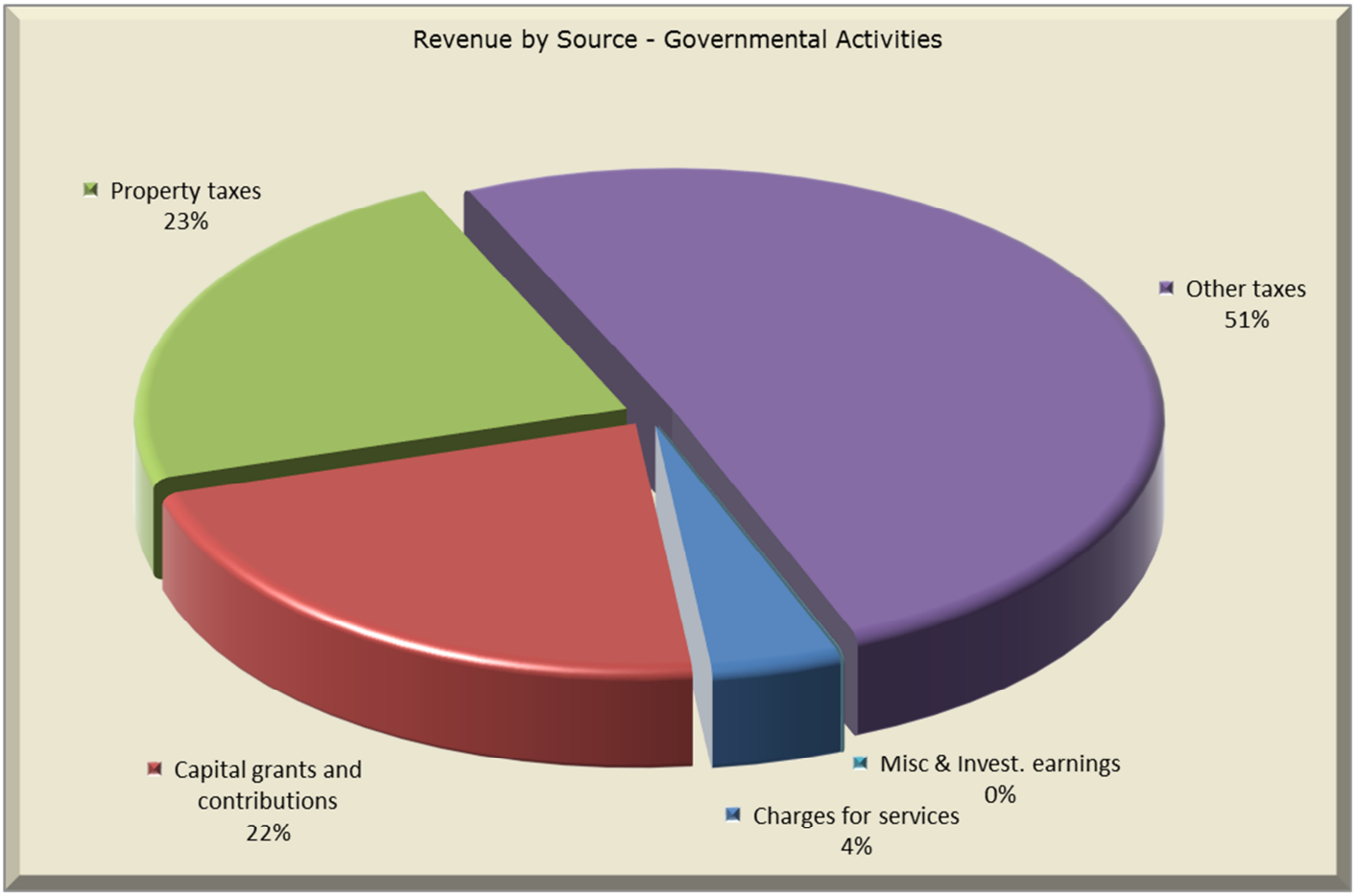
	2015			2014 (1)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	$ 357,908	$ 7,645,445	$ 8,003,353	$ 717,622	$ 8,011,192	$ 8,728,814
Capital grants and contributions	1,863,648	-	1,863,648	1,623,637	-	1,623,637
General revenues:						
Property taxes	1,902,144	-	1,902,144	2,110,865	-	2,110,865
Other taxes	4,259,349	-	4,259,349	4,051,960	-	4,051,960
Other	2,109	737	2,846	3,225	4,204	7,429
Total revenues	8,385,158	7,646,182	16,031,340	8,507,309	8,015,396	16,522,705
Expense:						
General government	2,152,181	-	2,152,181	1,916,785	-	1,916,785
Public safety	3,629,895	-	3,629,895	4,124,220	-	4,124,220
Public works	1,599,391	-	1,599,391	1,263,226	-	1,263,226
Judicial	331,161	-	331,161	372,006	-	372,006
Community development	734,313	-	734,313	682,691	-	682,691
Leisure services	1,790,160	-	1,790,160	1,932,710	-	1,932,710
Water & sewer	-	2,587,812	2,587,812	-	2,557,621	2,557,621
Natural gas	-	1,528,256	1,528,256	-	1,921,865	1,921,865
Sanitation	-	1,408,159	1,408,159	-	1,616,985	1,616,985
Marina	-	132,503	132,503	-	132,864	132,864
Telecommunications	-	518,911	518,911	-	528,256	528,256
Interest and fiscal charges on long-term debt	470,939	-	470,939	505,590	-	505,590
Total expenses	10,708,040	6,175,641	16,883,681	10,797,228	6,757,591	17,554,819
Increase (Decrease) in net position before transfers	(2,322,882)	1,470,541	(852,341)	(2,289,919)	1,257,805	(1,032,114)
Transfers	1,678,333	(1,678,333)	-	1,817,765	(1,817,765)	-
Gain on sale of capital assets	-	-	-	-	(64,434)	(64,434)
Change in net position	(644,549)	(207,792)	(852,341)	(472,154)	(624,394)	(1,096,548)
Net position, beginning of year, before restatement	7,618,629	33,767,246	41,385,875	8,090,783	34,391,640	42,482,423
Restatement	(2,190,960)	(590,262)	(2,781,222)	-	-	-
Net position - beginning, after restatement	5,427,669	33,176,984	38,604,653	-	-	-
Net position, end of year, as restated	4,783,120	32,969,192	37,752,312	7,618,629	33,767,246	41,385,875

(1) The effect of implementing GASB Statement No. 68 to previously reported changes in net position has not been determined.

Governmental activities.

The above statement shows the revenues and expenses by activities. Total revenue from governmental activities was $8,385,158 while expenses were $10,708,040.

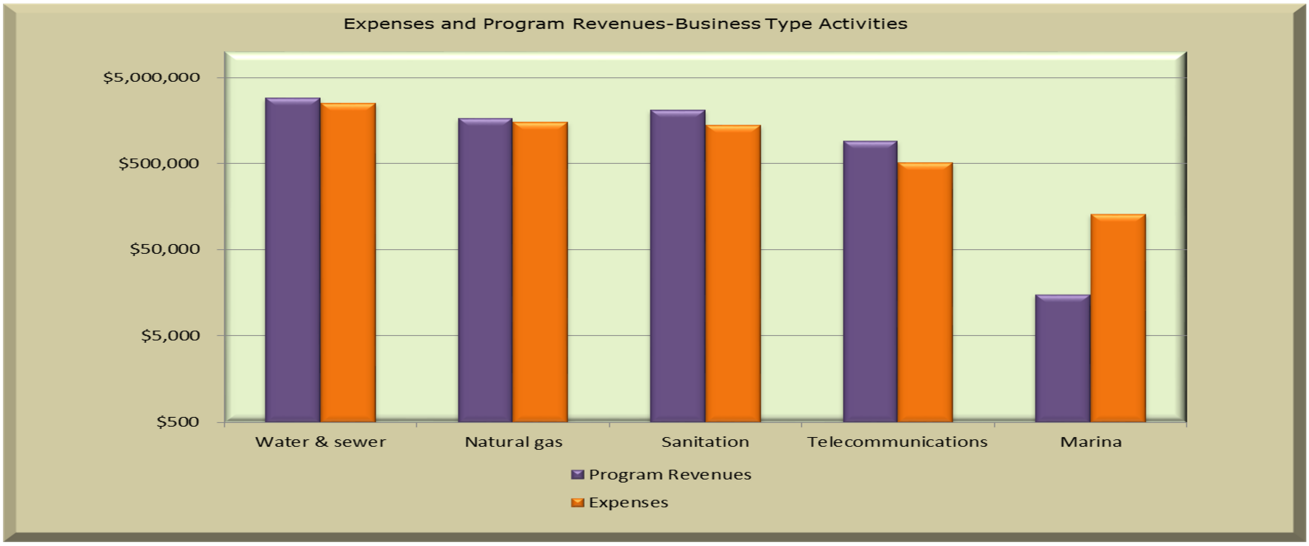
	2015	2014
Program Revenues:		
General Government	$ 115,286	$ 348,998
Public Safety	11,597	31,593
Public Works	1,837,790	1,270,147
Judicial	53,761	500,913
Community Development	42,904	41,000
Leisure Services	160,218	148,608
Total	$2,221,556	$2,341,259


Revenue by Source - Governmental Activities
Property taxes
23%
Other taxes
51%
Capital grants and
contributions
22%
Misc & Invest. earnings
0%
Charges for services
4%


Expenses and Program Revenues-Governmental Activities
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$-
General Government
Public Safety
Public Works
Judicial
Community Development
Leisure Services
Program Revenues
Expense

Business-type activities

Revenues from business-type activities totaled $7,646,182 and expenses totaled $6,175,641. The following graph displays the expenses and program revenues for business-type activities:



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds.

The focus of the City's *governmental funds is* to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $1,970,012 a decrease of $394,812. Approximately 13% ($261,917) of this total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either non-spendable or restricted to indicate that it is not available for new spending because it has already been restricted for other purposes or is not in a spendable form.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was $261,917 while the total fund balance reached $1,491,623. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 3% of total general fund expenditures, while total fund balance represents 16% of that same amount. The fund balance in the City's general fund decreased by $277,413 during the current fiscal year.

Proprietary Funds.

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at the end of the year amounted to:

- $1,535,559 for the Water & Sewer fund.
- $124,020 for the Natural Gas fund.
- $18,937 for the Solid Waste (Sanitation) fund.
- $(748,414) for the Telecommunications fund.
- $(5,369) for the Marina fund.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City’s budget is prepared in accordance with the laws of the State of Georgia and the Code of Ordinances of the City of Bainbridge. The City adopts the fiscal budget during September of the preceding fiscal year. A detailed budgetary comparison schedule for the fiscal year ended September 30, 2015 can be found in the Required Supplementary Information.

During September 2014, the City adopted a General Fund budget of $9,276,104 for FY2015. At the end of the fiscal year, the final actual expenditures were $9,092,571 which was a decrease of $183,533 from the original adopted budget. The final amended budget expenditures were $9,276,104.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2015 amounts to $52,960,324 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, and streets. The total decrease in the City's investment in capital assets for the current fiscal year was 4% (a 6% decrease for governmental activities and a 3% decrease for business-type activities).

Major (over $50,000) capital asset events during the current fiscal year included the following:

- $268,590 current year addition software for Finance and Public Safety.
- $202,645 current year addition belt press for Sewage Treatment.

Government Wide Capital Assets

	Governmental Activities	Business-type Activities	Total
Land	$ 2,232,103	$ 218,303	$ 2,450,406
Building and improvements	15,541,524	41,917,629	57,459,153
Machinery and equipment	7,447,700	5,494,080	12,941,780
Infrastructure	5,881,046	2,650,067	8,531,113
Construction in progress	289,067	17,411	306,478
Accumulated depreciation	(10,680,629)	(18,047,977)	(28,728,606)
Total	$ 20,710,811	$ 32,249,513	$ 52,960,324

Long-term debt

At the end of the current fiscal year, the City had the following outstanding debt:

The City's total debt government wide is $16,629,928 which decreased by $1,020,650 during the current fiscal year.

Additional information on the City's long-term debt can be found in note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City is currently 6.6%, which decreased from a rate of 9.6% a year ago. This is above the state's average unemployment rate of 5.8% and the national average unemployment rate of 5.1%.
- The occupancy rate of the City's central business district is 90%, slightly higher than the prior year.

All of these factors were considered in preparing the City's budget for the 2014-2015 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Division of Administrative Services, P.O. Box 158, Bainbridge, GA 39818.



BASIC FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF BAINBRIDGE, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Convention and Visitor's Bureau	Total
Assets:						
Cash and cash equivalents	$ 502,097	$ 66,168	$ 568,265	$ -	$ -	$ -
Investments	398,557	1,850	400,407	-	-	-
Property held for resale	-	-	-	147,998	-	147,998
Receivables, net	2,788,710	912,673	3,701,383	-	75	75
Due from other governments	263,668	-	263,668	-	-	-
Due from primary government	-	-	-	193,492	27,376	220,868
Internal balances	(527,493)	527,493	-	-	-	-
Inventories	132,736	135,456	268,192	-	-	-
Prepaid items	64,659	66,400	131,059	-	-	-
Restricted assets	264,088	149,512	413,600	-	-	-
Capital assets, non depreciated	2,521,170	235,714	2,756,884	-	-	-
Capital assets, depreciated, net	18,189,641	32,013,799	50,203,440	-	-	-
Total assets	24,597,833	34,109,065	58,706,898	341,490	27,451	368,941
Deferred outflows of resources:						
Deferred outflows related to pension	383,981	128,669	512,650	-	867	867
Liabilities:						
Accounts payable and other current liabilities	464,562	190,609	655,171	105	535	640
Due to component unit	220,868	-	220,868	-	-	-
Customer deposits	-	151,506	151,506	-	-	-
Unearned revenue	-	9,343	9,343	-	-	-
Noncurrent liabilities:						
Due within one year	1,500,109	69,662	1,569,771	-	-	-
Due in more than one year	17,644,871	745,535	18,390,406	-	5,122	5,122
Total liabilities	19,830,410	1,166,655	20,997,065	105	5,657	5,762
Deferred inflows of resources:						
Deferred inflows related to pension	368,284	101,887	470,171	-	921	921
Net position:						
Net investment in capital assets	4,418,713	32,052,494	36,471,207	-	-	-
Restricted for:						
Public safety	6,086	-	6,086	-	-	-
Capital projects	336,884	-	336,884	-	-	-
Unrestricted	21,437	916,698	938,135	341,385	21,740	363,125
Total net position	$ 4,783,120	$ 32,969,192	$ 37,752,312	$ 341,385	$ 21,740	$ 363,125

See accompanying notes to financial statements.

CITY OF BAINBRIDGE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: DDA	Component Units: CVB	Component Units: Total
Primary Government										
Governmental activities:										
General government	$ 2,152,181	$ 105,287	$ -	$ 9,999	$ (2,036,895)	$ -	$ (2,036,895)			
Judicial	331,161	53,761	-	-	(277,400)	-	(277,400)			
Public works	1,599,391	-	-	1,837,790	238,399	-	238,399			
Leisure services	1,790,160	160,121	-	97	(1,629,942)	-	(1,629,942)			
Public safety	3,629,895	5,467	-	6,130	(3,618,298)	-	(3,618,298)			
Community development	734,313	33,272	-	9,632	(691,409)	-	(691,409)			
Interest & fiscal charges on long-term debt	470,939	-	-	-	(470,939)	-	(470,939)			
Total governmental activities	10,708,040	357,908	-	1,863,648	(8,486,484)	-	(8,486,484)			
Business-type activities:										
Water and sewer	2,587,812	2,901,760	-	-	-	313,948	313,948			
Natural gas	1,528,256	1,701,877	-	-	-	173,621	173,621			
Sanitation	1,408,159	2,094,981	-	-	-	686,822	686,822			
Telecommunications	518,911	931,489	-	-	-	412,578	412,578			
Marina	132,503	15,338	-	-	-	(117,165)	(117,165)			
Total business-type activities	6,175,641	7,645,445	-	-	-	1,469,804	1,469,804			
Total Primary Government	$ 16,883,681	$ 8,003,353	$ -	$ 1,863,648	(8,486,484)	1,469,804	(7,016,680)			
Component Units:										
Downtown Development Authority	$ 58,566	$ -	$ (7,849)	$ -				$ (66,415)	$ -	$ (66,415)
Convention and Visitor's Bureau	54,474	-	71,542	-				-	17,068	17,068
Component units	$ 113,040	$ -	$ 63,693	$ -				(66,415)	17,068	(49,347)
General Revenues:										
Property taxes					1,902,144	-	1,902,144	-	-	-
Sales tax					1,741,825	-	1,741,825	-	-	-
Insurance premium tax					731,607	-	731,607	-	-	-
Alcohol taxes					335,511	-	335,511	-	-	-
Hotel/motel tax					178,807	-	178,807	-	-	-
Franchise taxes					927,528	-	927,528	-	-	-
Business taxes					344,071	-	344,071	-	-	-
Unrestricted investment earnings					2,109	737	2,846	-	-	-
Transfers					1,678,333	(1,678,333)	-	-	-	-
Total general revenues and transfers					7,841,935	(1,677,596)	6,164,339	-	-	-
Change in net position					(644,549)	(207,792)	(852,341)	(66,415)	17,068	(49,347)
Net position - beginning, before restatement					7,618,629	33,767,246	41,385,875	407,800	9,680	417,480
Restatement					(2,190,960)	(590,262)	(2,781,222)	-	(5,008)	(5,008)
Net position - beginning, after restatement					5,427,669	33,176,984	38,604,653	407,800	4,672	412,472
Net position - ending					$ 4,783,120	$ 32,969,192	$ 37,752,312	$ 341,385	$ 21,740	$ 363,125

See accompanying notes to financial statements

CITY OF BAINBRIDGE, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 417,283	$ 252,320	$ 669,603
Investments	398,507	-	398,507
Receivables, net	2,774,256	14,160	2,788,416
Prepaid items	63,107	-	63,107
Due from other funds	696,251	-	696,251
Advances to other funds	860,160	-	860,160
Inventories	69,131	-	69,131
Due from other governments	5,484	258,184	263,668
Total assets	$ 5,284,179	$ 524,664	$ 5,808,843
Liabilities			
Accounts payable	$ 126,688	$ 800	$ 127,488
Accrued liabilities	5,399	-	5,399
Due to other funds	1,945,956	32,066	1,978,022
Due to component unit	207,459	13,409	220,868
Total liabilities	2,285,502	46,275	2,331,777
Deferred inflows of resources			
Unavailable revenue	1,507,054	-	1,507,054
Fund Balances			
Non-Spendable for:			
Prepaids	63,107	-	63,107
Inventories	69,131	-	69,131
Advances	860,160	-	860,160
Restricted for:			
Debt service	-	135,419	135,419
Capital projects	-	336,884	336,884
Public safety	-	6,086	6,086
Landfill closure	237,308	-	237,308
Unassigned	261,917	-	261,917
Total fund balances	1,491,623	478,389	1,970,012
Total liabilities, deferred inflows of resources, and fund balances	$ 5,284,179	$ 524,664	

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.	20,710,811
Revenue earned but unavailable is not reported in the funds.	1,507,054
Deferred outflows of resources are not an available resource and, therefore, are not reported in the funds.	383,981
Internal Service Funds are used by management to charge the cost of employee health care self-insurance and the city shop to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(275,474)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Unamortized bond premium	(140,811)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Unmatured notes, bonds and leases	(16,292,098)
Accrued interest payable	(190,528)
Accrued compensated absences	(237,711)
Net pension liability	(2,046,524)
Deferred inflows related to pension	(368,284)
Landfill post-closure care obligation	(237,308)
Net position of governmental activities	$ 4,783,120

See accompanying notes to financial statements.

CITY OF BAINBRIDGE, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	$ 6,143,097	$ 178,807	$ 6,321,904
Licenses and permits	33,272	-	33,272
Intergovernmental	269,968	1,584,048	1,854,016
Charges for services	155,313	-	155,313
Fines and forfeitures	286,564	-	286,564
Investment earnings	1,640	248	1,888
Contributions and donations	-	7,586	7,586
Other	90,993	157	91,150
Total revenues	6,980,847	1,770,846	8,751,693
Expenditures:			
Current:			
General government	1,676,574	-	1,676,574
Public safety	3,353,205	54,202	3,407,407
Public works	1,564,824	-	1,564,824
Community development	734,313	-	734,313
Judicial	331,161	-	331,161
Leisure services	1,395,324	71,522	1,466,846
Capital projects	-	89,344	89,344
Debt service	37,170	1,565,862	1,603,032
Total expenditures	9,092,571	1,780,930	10,873,501
Excess (deficiency) of revenues over (under) expenditures	(2,111,724)	(10,084)	(2,121,808)
Other financing sources (uses):			
Transfers in	1,866,967	1,056,222	2,923,189
Transfers out	(32,672)	(1,163,537)	(1,196,209)
Sale of capital assets	16	-	16
Total other financing sources (uses)	1,834,311	(107,315)	1,726,996
Net change in fund balance	(277,413)	(117,399)	(394,812)
Fund balance at beginning of year	1,769,036	595,788	2,364,824
Fund balance at end of year	$ 1,491,623	$ 478,389	$ 1,970,012

See accompanying notes to financial statements.

CITY OF BAINBRIDGE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Net change in fund balances - total governmental funds		$ (394,812)
Amounts reported for governmental activities in the statement of activities are different because:		
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. When assets are sold or retired, the difference between the sales proceeds, if any, and the net book value of the assets is reported in the statement of activities as a gain or loss.		
Depreciation expense	(1,049,504)	
Capital outlays	232,044	
Loss on disposal of assets	(357,023)	(1,174,483)
The net effect of various miscellaneous transactions involving capital assets (contributions to Business-Type Activities) is to decrease net assets.		(48,647)
The issuance of long-term debt provides current financial resources and the repayment of principal on long-term debt consumes current financial resources in the governmental funds.		
Matured principal on notes payable	107,347	
Matured principal on revenue bonds	690,080	
Matured principal on capital leases	305,446	1,102,873
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Premium on bonds issued		8,534
The net effect of revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(403,214)
Internal Service Funds are used by management to charge the costs of employee health care self-insurance and the city shop to individual funds.		50,282
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued interest expense	11,663	
Accrued compensated absences	37,079	
Net pension liability	529,522	
Deferred outflows of resources related to pensions	(1,105)	
Deferred inflows of resources related to pensions	(368,284)	
Landfill post-closure care	6,043	214,918
Change in net position of governmental activities		$ (644,549)

See accompanying notes to financial statements.

CITY OF BAINBRIDGE, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Enterprise Funds						
	Major				Nonmajor		
	Water Sewer	Natural Gas	Sanitation	Telecommunications	Marina	Totals	Internal Service Funds
ASSETS							
Current assets:							
Cash	$ 10,811	$ -	$ -	$ 55,207	$ 150	$ 66,168	$ 96,582
Investments	1,655	195	-	-	-	1,850	50
Restricted assets:							
Investments	119,613	29,899	-	-	-	149,512	-
Receivables, net							
Utility accounts	365,126	143,184	225,005	-	-	733,315	-
Other	10,880	-	-	167,400	1,078	179,358	294
Due from other funds	1,544,042	220,554	316,667	136,413	-	2,217,676	394,854
Inventory	85,616	25,983	3,729	20,128	-	135,456	63,605
Prepaid expenses	48,159	9,693	7,056	1,492	-	66,400	1,552
Total current assets	2,185,902	429,508	552,457	380,640	1,228	3,549,735	556,937
Noncurrent assets:							
Property, plant and equipment, net	25,344,619	2,604,651	1,693,039	777,413	1,829,791	32,249,513	35,113
Total assets	27,530,521	3,034,159	2,245,496	1,158,053	1,831,019	35,799,248	592,050
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pension	68,527	16,481	40,191	3,470	-	128,669	21,975
LIABILITIES							
Current liabilities:							
Accounts and claims payable	91,295	67,453	18,873	1,570	-	179,191	317,069
Customer deposits	119,897	31,609	-	-	-	151,506	-
Accrued liabilities	8,057	-	3,361	-	-	11,418	-
Accrued compensated absences	23,162	11,711	17,134	-	-	52,007	14,606
Unearned revenue	9,343	-	-	-	-	9,343	-
Due to other funds	144,227	107,488	324,851	238,825	6,597	821,988	508,771
Capital leases - current	17,655	-	-	-	-	17,655	-
Total current liabilities	413,636	218,261	364,219	240,395	6,597	1,243,108	840,446
Long-term liabilities (net of current portion):							
Net pension liability	273,645	87,891	177,542	27,093	-	566,171	110,343
Advances from other funds	-	-	-	860,160	-	860,160	-
Capital lease obligations	179,364	-	-	-	-	179,364	-
Total long-term liabilities	453,009	87,891	177,542	887,253	-	1,605,695	110,343
Total liabilities	866,645	306,152	541,761	1,127,648	6,597	2,848,803	950,789
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to pension	49,244	15,817	31,950	4,876	-	101,887	19,857
NET POSITION							
Net investment in capital assets	25,147,600	2,604,651	1,693,039	777,413	1,829,791	32,052,494	35,113
Unrestricted	1,535,559	124,020	18,937	(748,414)	(5,369)	924,733	(391,734)
Total net position	$26,683,159	$2,728,671	$ 1,711,976	$ 28,999	$ 1,824,422	32,977,227	$ (356,621)
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds						(8,035)	
Net position of business-type activities						$32,969,192	

See accompanying notes to financial statements.

CITY OF BAINBRIDGE, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Enterprise Funds						
	Major				Nonmajor		
	Water Sewer	Natural Gas	Sanitation	Telecommunications	Marina	Totals	Internal Service Funds
Operating revenues:							
Charges for services	$ 2,900,733	$ 1,606,606	$ 2,094,351	$ 271,154	$ -	$ 6,872,844	$ 702,719
Contributions	-	-	-	-	-	-	2,232,530
Lease income	-	-	-	659,942	15,338	675,280	-
Other	1,027	95,271	630	393	-	97,321	8,971
Total operating revenues	2,901,760	1,701,877	2,094,981	931,489	15,338	7,645,445	2,944,220
Operating expenses:							
Personal services	872,055	287,484	538,978	71,546	-	1,770,063	324,304
Operating	976,896	1,159,162	695,262	390,892	-	3,222,212	360,008
Depreciation	748,537	81,610	170,555	56,473	132,503	1,189,678	4,323
Benefits and claims	-	-	-	-	-	-	2,188,255
Total operating expenses	2,597,488	1,528,256	1,404,795	518,911	132,503	6,181,953	2,876,890
Operating income	304,272	173,621	690,186	412,578	(117,165)	1,463,492	67,330
Nonoperating revenues (expenses):							
Interest income	572	-	-	165	-	737	440
Interest expense	(2,371)	-	(3,364)	-	-	(5,735)	-
Total nonoperating revenues (expenses)	(1,799)	-	(3,364)	165	-	(4,998)	440
Income before contributions and transfers	302,473	173,621	686,822	412,743	(117,165)	1,458,494	67,770
Contributed capital	48,647	-	-	-	-	48,647	-
Transfers in	50,031	-	-	-	32,672	82,703	-
Transfers out	(760,631)	(185,547)	(463,505)	(400,000)	-	(1,809,683)	-
Increase (decrease) in net position	(359,480)	(11,926)	223,317	12,743	(84,493)	(219,839)	67,770
Net position, beginning of year before restatement	27,321,898	2,835,551	1,673,905	47,059	1,908,915		(306,403)
Restatement	(279,259)	(94,954)	(185,246)	(30,803)	-		(117,988)
Net position, beginning of year after restatement	27,042,639	2,740,597	1,488,659	16,256	1,908,915		(424,391)
Net position at end of year	$ 26,683,159	$ 2,728,671	$ 1,711,976	$ 28,999	$1,824,422		$ (356,621)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						12,047	
Change in net position of business-type activities						$ (207,792)	

See accompanying notes to financial statements.

CITY OF BAINBRIDGE, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Enterprise Funds						
	Major				Nonmajor		
	Water Sewer	Natural Gas	Sanitation	Telecommunications	Marina	Totals	Internal Service Funds
Cash flows from (to) operating activities:							
Cash received from customers	$ 2,502,385	$1,622,326	$1,777,112	$ 841,171	$ 15,690	$ 6,758,684	$ 2,647,608
Cash payments for goods and services	(764,515)	(1,141,458)	(649,058)	(321,418)	(19,532)	(2,895,981)	(80,582)
Cash payments for claims	-	-	-	-	-	-	(2,207,638)
Cash payments for employee services and fringe benefits	(890,913)	(295,211)	(554,923)	(73,850)	-	(1,814,897)	(338,436)
Net cash from (to) operating activities	846,957	185,657	573,131	445,903	(3,842)	2,047,806	20,952
Cash flows from (to) noncapital financing activities:							
Transfers in	50,031	-	-	-	32,672	82,703	-
Transfers out	(760,631)	(185,547)	(463,505)	(400,000)	-	(1,809,683)	-
Net cash from (to) noncapital financing activities	(710,600)	(185,547)	(463,505)	(400,000)	32,672	(1,726,980)	-
Cash flows from (to) capital and related financing activities:							
Interest paid	(2,371)	-	(3,364)	-	-	(5,735)	-
Payments for capital acquisitions	(10,036)	-	-	(17,411)	(32,672)	(60,119)	-
Principal payments on long-term obligations	(5,527)	-	(106,262)	-	-	(111,789)	-
Net cash from (to) capital and related financing activities	(17,934)	-	(109,626)	(17,411)	(32,672)	(177,643)	-
Cash flows from (to) investing activities:							
Investment purchases	(118,990)	(110)	-	-	-	(119,100)	-
Interest received from investments	572	-	-	165	-	737	440
Net cash from (to) investing activities	(118,418)	(110)	-	165	-	(118,363)	440
Net increase (decrease) in cash	5	-	-	28,657	(3,842)	24,820	21,392
Cash at beginning of year	10,806	-	-	26,550	3,992	41,348	75,190
Cash at end of year	$ 10,811	$ -	$ -	$ 55,207	$ 150	$ 66,168	$ 96,582

See accompanying notes to financial statements.
Continued on next page.

CITY OF BAINBRIDGE, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONT'D)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Enterprise Funds						
	Major				Nonmajor		
	Water Sewer	Natural Gas	Sanitation	Telecommunications	Marina	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash from operating activities:							
Operating income (loss)	$ 304,272	$173,621	$ 690,186	$ 412,578	$(117,165)	$1,463,492	$ 67,330
Adjustments to reconcile operating income to net cash from operating activities:							
Depreciation	748,537	81,610	170,555	56,473	132,503	1,189,678	4,323
Change in assets and liabilities:							
(Increase) decrease in accounts receivable	61,291	25,390	(1,202)	26,844	352	112,675	182
(Increase) decrease in prepaid expenses	(5,337)	5,616	(588)	(1,168)	-	(1,477)	(9)
(Increase) decrease in inventory	7,329	(2,936)	9,446	1,935	-	15,774	(18,278)
(Increase) decrease in due from other funds	(457,550)	(106,376)	(316,667)	(117,162)	-	(997,755)	(296,794)
(Increase) decrease in deferred outflows related to pension	(3,338)	(803)	(1,958)	(169)	-	(6,268)	(1,070)
Increase (decrease) in accounts payable	80,384	(76,105)	(14,511)	(693)	-	(10,925)	(35,615)
Increase (decrease) in accrued interest payable	(1,222)	(508)	538	-		(1,192)	-
Increase (decrease) in accrued liabilities	6,039	-	-	-	-	6,039	(4,369)
Increase (decrease) in due to other funds	131,227	91,637	51,319	69,400	(19,532)	324,051	313,945
Increase (decrease) in net pension liability	(70,803)	(22,741)	(45,937)	(7,011)	-	(146,492)	(28,550)
Increase (decrease) in customer deposits	(3,116)	1,435	-	-	-	(1,681)	-
Increase (decrease) in deferred inflows related to pension	49,244	15,817	31,950	4,876	-	101,887	19,857
Net cash from (to) operating activities	$ 846,957	$185,657	$ 573,131	$ 445,903	$ (3,842)	$2,047,806	$ 20,952
Supplemental disclosure of cash flow information:							
Cash paid during the year for interest	$ 2,371	$ -	$ 3,364	$ -	$ -	$ 5,735	$ -

Supplemental disclosure of noncash investing and financing activities:
Capital assets totaling $48,647 were contributed to the Water Sewer Fund from Governmental Activities.
Capital assets totaling $202,546 were acquired in the Water Sewer Fund by entering into a capital lease agreement.

See accompanying notes to financial statements.
Continued from previous page.

The accounting methods and procedures adopted by the City of Bainbridge, Georgia, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the City's Annual Financial Report.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City was created in 1824 and operates under an elected Mayor/Council (Board of Aldermen) form of government. The City's major operations include public safety, community development, highways and streets, water, sewage, natural gas, telecommunications, sanitation, marina, public improvements, and general administrative services.

The financial statements of the reporting entity include those of the City of Bainbridge (the primary government) and in accordance with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", the financial statements of its component units. The component units discussed below are included in the reporting entity because of the financial relationship with the City.

The fiscal year ended of the component units is September 30. The component units discussed below do not issue separate financial statements. A brief description of the component units is as follows:

Downtown Development Authority: The Downtown Development Authority was created by the City of Bainbridge, pursuant to the resolution of the Georgia General Assembly on January 15, 1981. The purpose of the Authority is the redevelopment of the downtown Bainbridge district. The City's Board of Aldermen appoints all members of the Authority and is able to impose its will on the Authority. The Authority did not issue separate Component Unit Financial Statements. Financial information for the Authority is included in the City of Bainbridge's Annual Financial Report. The Authority is presented as a discretely presented component unit.

Bainbridge Convention and Visitors Bureau: The Bainbridge Convention and Visitors Bureau was created by the City of Bainbridge, pursuant to the resolution of the Georgia General Assembly. The purpose of the Bureau is to promote tourism, conventions, and trade shows within the area. The City's Board of Aldermen approves the annual budget of the Bureau and provided the majority of the Bureau's resources for current year expenses. The Bureau did not issue separate Component Unit Financial Statements. Financial information for the Bureau is included in the City of Bainbridge's Annual Financial Report. The Bureau is presented as a discretely presented component unit.

Downtown Bainbridge Development Authority: The Downtown Bainbridge Development Authority was created by the City of Bainbridge, pursuant to the resolution of the Georgia General Assembly in October 1988. The purpose of the Authority is the redevelopment and improvement of the Downtown Bainbridge Central Business District. The Authority provides funding through intergovernmental agreements for the construction of governmental facilities. The Authority is composed of eight members. One member of the Authority is the Mayor of the City of Bainbridge. Two members are appointed by the Mayor, and the other five members are appointed by the City's Board of Alderman. The Authority is presented as a blended component unit and presented as a Capital Projects Fund.

City of Bainbridge Public Facilities Authority: The City of Bainbridge Public Facilities Authority was created by the City of Bainbridge, pursuant to the resolution of the Georgia General Assembly in 2013. The purpose of the Authority is to assist the City of Bainbridge in providing facilities, equipment and services. The Authority provides funding through intergovernmental agreements for the construction of governmental facilities. The Authority is composed of six to nine members. Six of the members are the City Alderman and Mayor of the City of Bainbridge. The City Alderman and Mayor may nominate and appoint up to three additional members. The Authority is presented as a blended component unit and presented as a Capital Projects Fund.

Related Organizations: The Bainbridge Housing Authority is a related organization which has not been included in the reporting entity. The Authority is a legally separate entity having a board composed of some members appointed by the City. The City does not have the ability to impose its will or have a financial benefit or burden relationship with the Authority. A copy of the Authority's annual financial report is available at 108 South Sims Street, Bainbridge, Georgia 39817.

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. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the legally separate *component units* for which the primary government is financially accountable. The City's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to

meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and all intergovernmental revenues to be available if they are collected within 6 months 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 a payment is due.

Property 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

Water and Sewer Fund - The Water and Sewer fund accounts for the activities of the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

Sanitation Fund – The Sanitation Fund accounts for the activities of refuse collection and delivery to the Decatur County landfill, including tipping fees.

Natural Gas Fund – The Natural Gas Fund accounts for the activities of the City's natural gas distribution system.

Telecommunications Fund – The Telecommunications Fund accounts for the leasing of the telecommunications infrastructure.

Additionally, the City reports the following fund types:

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

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition, renovation, and construction of major capital assets (other than those financed by proprietary funds).

Internal Service Funds - The Internal Service Funds account for services performed by a central service department for other departments of the governmental unit.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *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. Operating expenses for enterprise funds and internal service 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.

D. Budgets and Budgetary Accounting

An operating budget is legally adopted each fiscal year for the General Fund and Special Revenue Funds. Capital Projects Funds adopt project length budgets.

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

1. A proposed operating budget including proposed expenditures and the means of financing them is submitted to the Board of Aldermen and the citizens by the City Manager.

2. A public hearing on the budget is held, giving notice thereof at least ten days in advance.

3. The budget is then revised and adopted by the Board of Aldermen before September 30 of each year.

4. The level of control (the level at which expenditures may not legally exceed appropriations) for each of the above adopted budgets is at the department level. The City's Manager may make transfers of appropriations within a department. Transfers of appropriations between functions require the approval of the Mayor and the Board of Aldermen.

Budgeted amounts reflected in the accompanying budget and actual comparisons are as originally adopted, or as amended, by the Board of Aldermen. Individual amendments were not material in relation to the original appropriations which were amended.

Unencumbered appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments in excess of $1,000 for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue and Capital Projects Funds. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. There were no open purchase orders in excess of $1,000 as of September 30, 2015.

E. Cash and Investments

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

Investments are stated at fair value. Statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations, obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "AA" or better by Moody's Investors Services, Inc., non-negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, repurchase agreements when collateralized by U.S. Government or agency obligations, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

All of the City's investments are held with banks in certificate of deposits and money market accounts. Investments for the City are reported at fair value.

F. Short-Term/Long-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual

funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds."

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Noncurrent portions of long-term interfund loan receivables are reported as advances.

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

G. Inventories

Inventories are valued at the lower of average cost or market. Inventories of the government, for both governmental fund types and proprietary fund types, are recorded as expenditures when consumed rather than when purchased.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal period are recorded as prepaid items. The consumption method is used to account for prepaid items within the City's funds.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The capitalization threshold for capital assets is $5,000.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation has been provided over the estimated useful lives using the straight-line method. Depreciation has been calculated on an estimated useful life as follows:

Buildings	25-50 years
Improvements	25 years
System Improvements	30 years
Vehicles and equipment	5-15 years
Infrastructure	15-50 years

J. Compensated Absences

Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide and proprietary financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. A liability in the governmental funds is reported only if the benefit has matured.

Accumulated sick pay benefits for City employees have not been recorded as a liability because the payment of the benefits is contingent upon the future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation.

K. Long-Term Obligations

In the government-wide financial statements, and proprietary funds 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 statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

L. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify as deferred inflows of resources. The first item, which only arises under the

modified accrual basis of accounting, is the unavailable taxes revenue reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Secondly, the City has deferred inflows related to pensions reported in the government wide statement of net position.

M. Nature and Purpose of Classifications of Fund Equity

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. The committed fund balance classification includes amounts that can only be used for specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Alderman is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of a fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (adoption of another resolution) to remove or revise the limitation. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by City management based on Alderman direction. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance 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 City uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy.

N. Use of Estimates

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

(2) DEPOSITS AND INVESTMENTS

Custodial credit risk – deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City reduces its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law, which requires uninsured deposits to be collateralized at 110%. As of September 30, 2015, the City was not exposed to custodial credit risk.

Credit and interest rate risk - investments

The City invests surplus funds in certificates of deposits and other government-backed or collateralized instruments provided for by State law. The City does not have a formal investment policy that limits investment maturities as a means to manage its exposure to losses arising from interest rates.

At September 30, 2015, the City had the following investments:

	Total Fair Value	Weighted Average Maturity (years)
Money Market Accounts	$ 452,807	N/A
Certificate of Deposits	97,112	0.64
Total	$ 549,919	

$149,512 of the investments of the primary government are grouped in restricted assets.

See also Note 1 for disclosure of the types of investments authorized by legal provisions.

Concentration of credit risk

The City does not have a formal policy addressing concentration of credit risk.

(3) RECEIVABLES

Receivables at September 30, 2015 consist of the following:

	Taxes and Fines	Utility Accounts	Other	Allowance for Uncollectibles	Net Receivables
General Fund	$ 2,829,139	$ -	$ -	$ (54,883)	$ 2,774,256
Water and Sewer Fund	-	490,126	10,880	(125,000)	376,006
Sanitation Fund	-	275,005	-	(50,000)	225,005
Natural Gas Fund	-	152,184	-	(9,000)	143,184
Telecommunications Fund	-	-	167,400	-	167,400
Nonmajor Funds	14,160	1,078	294	-	15,532
Total	$ 2,843,299	$ 918,393	$ 178,574	$ (238,883)	$ 3,701,383

(4) DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at September 30, 2015 consist of the following:

	Decatur County, GA
General Fund	$ 5,484
SPLOST 6 Fund	258,184
	$ 263,668

(5) INTERFUND RECEIVABLES, ADVANCES, AND TRANSFERS

Interfund receivable and payable balances for the fiscal year ended September 30, 2015 are summarized as follows:

	RECEIVABLE TO						
PAYABLE FROM	General Fund	Water and Sewer Fund	Sanitation Fund	Natural Gas Fund	Telecommunication Fund	Internal Service Funds	Total
General Fund	$ -	$ 1,483,586	$ 309,580	$ 130,554	$ -	$ 22,236	$ 1,945,956
Water and Sewer Fund	-	-	-	-	62,753	81,474	144,227
Sanitation Fund	-	1,395	-	-	43,849	279,607	324,851
Natural Gas Fund	-	59,061	7,087	-	29,811	11,529	107,488
Telecommunication Fund	238,817	-	-	-	-	8	238,825
Nonmajor Funds	457,434	-	-	90,000	-	-	547,434
Total	$ 696,251	$ 1,544,042	$ 316,667	$ 220,554	$ 136,413	$ 394,854	$ 3,308,781

Generally, outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding at year-end, and other miscellaneous receivables/payables between funds. These balances are expected to be repaid within one year.

Advances from/to other funds for the current year were as follows:

ADVANCES FROM	ADVANCES TO Telecom Fund
General Fund	$ 860,160

None of the balance is specifically scheduled to be repaid in the subsequent year.

Interfund transfers for the current year were as follows:

	TRANSFER OUT FROM						
TRANSFER IN TO	General Fund	Water and Sewer Fund	Sanitation Fund	Natural Gas Fund	Telecom Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 760,631	$ 463,505	$ 135,516	$ 400,000	$ 107,315	$ 1,866,967
Water and Sewer Fund	-	-	-	50,031	-	-	50,031
Marina Fund	32,672	-	-	-	-	-	32,672
Nonmajor Governmental Funds	-	-	-	-	-	1,056,222	1,056,222
Total	$ 32,672	$ 760,631	$ 463,505	$ 185,547	$ 400,000	$ 1,163,537	$ 3,005,892

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, maintaining debt service on a routine basis, or in accordance with budgetary authorizations.

Transfers between the SPLOST 6 Fund and other Funds are for the receipt of bond proceeds and for the disbursement of funds for payment of debt service.

(6) RESTRICTED ASSETS

The City's restricted assets at September 30, 2015 consist of the following:

Governmental Activities:	Total
General Fund:	
Appearance bond deposits	$ 11,768
Capital Projects Funds:	
SPLOST 6 cash	79,500
Nonmajor governmental funds:	
Sinking fund cash	135,419
Hotel/Motel tax	31,315
Confiscated assets	6,086
Total governmental activities	$ 264,088
Proprietary Funds / Business Type Activities:	
Water and Sewer Fund:	
Customer deposits	$ 119,613
Natural Gas Fund:	
Customer deposits	29,899
Total proprietary funds / business type activities	$ 149,512

(7) CAPITAL ASSETS

Capital asset activity for the period ended September 30, 2015 was as follows:

	Beginning Balance	Additions	Transfers	Reductions	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 2,232,103	$ -	$ -	$ -	$ 2,232,103
Construction in progress	379,635	232,044	(48,647)	(273,965)	289,067
Total capital assets not being depreciated	2,611,738	232,044	(48,647)	(273,965)	2,521,170
Capital assets, being depreciated:					
Buildings and improvements	16,158,620	5,375	-	(622,471)	15,541,524
Machinery and equipment	7,236,535	268,590	-	(57,425)	7,447,700
Infrastructure	5,881,046	-	-	-	5,881,046
Total capital assets being depreciated	29,276,201	273,965	-	(679,896)	28,870,270
Less accumulated depreciation for:					
Buildings and improvements	(3,534,558)	(482,697)	-	304,436	(3,712,819)
Machinery and equipment	(5,048,872)	(318,782)	-	18,437	(5,349,217)
Infrastructure	(1,370,568)	(248,025)	-	-	(1,618,593)
Total accumulated depreciation	(9,953,998)	(1,049,504)	-	322,873	(10,680,629)
Total capital assets being depreciated, net	19,322,203	(775,539)	-	(357,023)	18,189,641
Governmental activities capital assets, net	$ 21,933,941	$ (543,495)	$ (48,647)	$ (630,988)	$ 20,710,811
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 218,303	$ -	$ -	$ -	$ 218,303
Construction in progress	-	17,411	-	-	17,411
Total capital assets not being depreciated	218,303	17,411	-	-	235,714
Capital assets, being depreciated:					
Buildings and plant in service	41,868,982	-	48,647	-	41,917,629
Machinery and equipment	5,248,826	245,254	-	-	5,494,080
Infrastructure	2,650,067	-	-	-	2,650,067
Total capital assets being depreciated	49,767,875	245,254	48,647	-	50,061,776
Less accumulated depreciation for:					
Buildings and plant in service	(12,425,939)	(787,328)	-	-	(13,213,267)
Machinery and equipment	(3,602,879)	(269,847)	-	-	(3,872,726)
Infrastructure	(829,481)	(132,503)	-	-	(961,984)
Total accumulated depreciation	(16,858,299)	(1,189,678)	-	-	(18,047,977)
Total capital assets being depreciated, net	32,909,576	(944,424)	48,647	-	32,013,799
Business-type activities capital assets, net	$ 33,127,879	$ (927,013)	$ 48,647	$ -	$ 32,249,513

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

Governmental activities:	
General government	$ 298,379
Public safety	222,397
Public works, including depreciation of general infrastructure	201,091
Leisure services	323,314
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	4,323
Total depreciation expense - governmental activities	$ 1,049,504
Business-type activities:	
Water and sewer	$ 748,537
Sanitation	170,555
Gas	81,610
Telecommunications	56,473
Marina	132,503
Total depreciation expense - business-type activities	$ 1,189,678

(8) LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term liabilities for the year ended September 30, 2015:

	Beginning Balance (As Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Note payable	$ 2,857,818	$ -	$ (107,347)	$ 2,750,471	$ 110,955
Revenue bonds	13,223,192	-	(690,080)	12,533,112	706,618
Leases payable	1,313,961	-	(305,446)	1,008,515	279,856
Premium	149,345	-	(8,534)	140,811	-
Landfill post closure care	243,351	-	(6,043)	237,308	12,853
Accrued interest payable	202,191	384,740	(396,403)	190,528	190,528
Net pension liability	2,576,046	-	(529,522)	2,046,524	-
Compensated absences	274,790	292,669	(329,748)	237,711	199,299
Governmental activities long-term liabilities	$ 20,840,694	$ 677,409	$ (2,373,123)	$ 19,144,980	$ 1,500,109
Business-type activities:					
Leases payable	$ 106,262	$ 202,546	$ (111,789)	$ 197,019	$ 17,655
Net pension liability	712,663	-	(146,492)	566,171	-
Compensated absences	53,199	62,647	(63,839)	52,007	52,007
Business-type activities long-term liabilities	$ 872,124	$ 265,193	$ (322,120)	$ 815,197	$ 69,662
Component Units:					
Net pension liability	$ 5,833	$ -	$ (711)	$ 5,122	$ -

For governmental activities, compensated absences and pension liabilities are typically liquidated in the General Fund.

Governmental activities:

Note Payable

During November 2011, the City entered into a loan agreement with the Georgia Environmental Facilities Authority (GEFA). The principal proceeds available from this loan ($3,000,000) was to be used for the installation of automated meter reading for the gas and water meters, new water lines, and pump stations with appurtenances. In addition, the funds will be used for construction of sewer extension projects and capital improvements to the wastewater treatment plant. This loan was amended in August 2013. On January 1, 2014, GEFA loan 2008L15WJ2 was converted from construction status to a fixed amortization loan. Principal and interest on this note is payable in monthly installments of $16,694 until maturity on 1/1/2034. The note bears interest at a rate of 3.31% annually.

Annual debt service requirements to maturity for the note payable are as follows:

Governmental - Note payable

Year Ending September 30,	Principal	Interest	Total
2016	$ 110,955	$ 89,367	$ 200,322
2017	114,684	85,639	200,323
2018	118,538	81,784	200,322
2019	122,522	77,801	200,323
2020	126,639	73,683	200,322
2021-2025	699,969	301,641	1,001,610
2026-2030	825,764	175,847	1,001,611
2031-2035	631,400	36,342	667,742
Total	$ 2,750,471	$ 922,104	$ 3,672,575

Revenue Bonds

On July 30, 2013, the Downtown Bainbridge Development Authority issued Revenue Bonds in the amount of $4,291,327 to provide financing to refund series 2011 Downtown Bainbridge Development Authority Bonds and to provide financing for the cost of construction, remodeling and altering a City administrative building. The bonds will be serviced through biannual payments from the City, commencing on June 1, 2014 of $140,135 to $186,046 through December 1, 2026 and one payment of $78,000 on December 1, 2013; interest at 2.28% ($3,788,112 outstanding). As a result of the refunding, the City increased its total debt service requirements by $435,602 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $37,410.

On July 1, 2013, the City of Bainbridge Public Facilities Authority issued $9,460,000 Series 2013 Revenue Bonds (City of Bainbridge Project) for the purpose of (i) refunding the outstanding portion of certain loans from the Georgia Environmental Finance Authority, (ii) financing or refinancing certain extensions, expansions and improvements to the City's existing water and sewerage system, and (iii) paying all or a portion of the costs of issuance of the bonds. The bonds were issued pursuant to an Intergovernmental Contract between the Authority and the City whereby the City has

an absolute and unconditional obligation to make payments to the Authority sufficient to enable the Authority to pay the principal and interest on the bonds. The City has agreed to make payments directly to the Trustee. The bonds are due in annual installments commencing April 1, 2014 of $310,000 to $655,000 through April 1, 2032; interest rates at 2.0% to 4.0% ($8,745,000 outstanding).

Annual debt service requirements to maturity for the revenue bonds are as follows:

Governmental - Revenue bonds

Year Ending September 30,	Principal	Interest	Total
2016	$ 706,618	$ 355,554	$ 1,062,172
2017	718,304	340,568	1,058,872
2018	735,145	325,327	1,060,472
2019	747,142	309,730	1,056,872
2020	764,299	287,198	1,051,497
2021-2025	4,154,733	1,127,024	5,281,757
2026-2030	3,416,871	563,656	3,980,527
2031-2034	1,290,000	77,800	1,367,800
Total	$ 12,533,112	$ 3,386,854	$ 15,919,966

Leases Payable

The City leases equipment and vehicles with original costs totaling $1,659,483 through the Georgia Municipal Association Lease Pool and 1st Source Bank. Interest rates on the leases range from 2.94% to 4.48%. Accumulated depreciation related to these assets at September 30, 2015 is $599,100. This year $145,715 was included in depreciation expense.

Debt service requirements to maturity for governmental activities are as follows:

Governmental - Leases payable

Year Ending September 30,	Principal	Interest	Total
2016	$ 279,856	$ 28,490	$ 308,346
2017	180,474	21,288	201,762
2018	185,796	15,966	201,762
2019	191,282	10,480	201,762
2020	32,345	4,825	37,170
2021-2024	138,762	9,919	148,681
Total	$ 1,008,515	$ 90,968	$ 1,099,483

Business-type Activities:

Leases Payable

The City leased equipment and vehicles with original costs totaling $681,749 through the Georgia Municipal Association Lease Pool and Gardener Associates, Inc. Interest rate on the lease is 3.2% to 3.6%. Accumulated depreciation related to these assets at September 30, 2015 is $180,933. This year $31,940 was included in depreciation expense.

Debt service requirements to maturity for business-type activities are as follows:

Business-type - Leases payable

Year Ending September 30,	Principal	Interest	Total
2016	$ 17,655	$ 6,040	$ 23,695
2017	18,228	5,467	23,695
2018	18,821	4,874	23,695
2019	19,431	4,264	23,695
2020	20,062	3,633	23,695
2021-2025	102,822	7,753	110,575
Total	$ 197,019	$ 32,031	$ 229,050

(9) LANDFILL POST CLOSURE CARE

State and federal laws and regulations require that the City of Bainbridge place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. A liability has been recognized based on the expected future post-closure care costs that will be incurred. The recognition of these landfill post-closure care costs has been accrued in full because the landfill is no longer accepting waste. The estimated liability for landfill post-closure care costs is $237,308 as of September 30, 2015, which is based on 100% usage (filled) of the landfill. This landfill was operated and accounted for in the general fund prior to the City's creation of the sanitation enterprise fund.

The estimated total current cost of the landfill post-closure care of $237,308 is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of September 30, 2015. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

(10) PROPERTY TAXES

Decatur County, Georgia bills and collects real and personal property taxes for the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes are levied in August of each year on the assessed valuation of property as of the preceding January 1 and are due within 60 days.

Liens may attach to property for unpaid taxes at any time within three years after the due date.

Assessed values are established by the Decatur County Tax Assessor's office and are currently calculated at 40% of the market value. The assessed values of real and personal property (excluding motor vehicles and mobile home taxes) at January 1, 2013 were $311,293,989.

Based on the 2013 millage levy of 5.575, a property tax owner would pay $5.575 per $1,000 of assessed valuation. Current tax collections of $1,699,283 for the fiscal year ended September 30, 2015 were 98% of the levy.

(11) EMPLOYEE RETIREMENT SYSTEM

The City contributes to the Georgia Municipal Employees Benefit System ("System"), an agent multi-employer public employee retirement system that acts as a common investment and administrative agent for cities in the state of Georgia. The Plan also provides for death benefits for early retirees. The benefit provisions and all other requirements are established and amended by the System and the Adoption Agreement executed by the City.

All full-time employees become eligible for the plan after one year of service. Benefits vest after completing ten years of service and are payable beginning at age 55.

Employees covered by benefit terms. At September 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	62
Inactive employees entitled to but not yet receiving benefits	42
Active employees	133
Total	237

Contributions. Contributions are determined under the projected unit credit actuarial cost method. The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions. For the year ended September 30, 2015, the actuarially determined rate was 9.87% of annual pay. The City's contributions to the Plan totaled $513,517 for the year ended September 30, 2015.

Net Pension Liability

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

Actuarial assumptions. The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.25% plus age and service based merit increases
Investment rate of return	7.75%
Post-retirement benefit increases	Not applicable

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the January 1, 2015 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	50%	5.95%
International equity	15%	6.45%
Fixed income	25%	1.55%
Real estate	10%	3.75%
Total	100%	

Discount rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/2013*	$11,591,933	$ 8,296,776	$ 3,295,157
Changes for the year:			
Service cost	155,977	-	155,977
Interest	872,039	-	872,039
Differences between expected and actual experience	(188,034)	-	(188,034)
Contributions - employer	-	508,312	(508,312)
Contributions - employee	-	-	-
Net investment income	-	942,322	(942,322)
Benefit payments, including refunds of employee contributions	(679,640)	(679,640)	-
Administrative expense	-	(16,261)	16,261
Other	(82,949)	-	(82,949)
Net changes	77,393	754,733	(677,340)
Balances at 9/30/2014**	$11,669,326	$ 9,051,509	$ 2,617,817

* Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2014 are used to measure TPL as of September 30, 2013. The balances as of September 30, 2013 constitute measurements of the NPL for the fiscal year ending September 30, 2014.

** Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2015 are used to measure TPL as of September 30, 2014. The balances as of September 30, 2014 constitute measurements of the NPL for the fiscal year ending September 30, 2015.

Changes in Assumptions

Based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014, the following assumptions were changed:

- The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set-forward for females.
- The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.
- The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70. If retirement is not available at a given age or a participant does not meet the plan's service criteria to retire at a given age, no retirement is assumed at that age.

- The inflation assumption was decreased from 3.50% to 3.25%.
- The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.75%, 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 (7.75%)	1% Increase (8.75%)
Net pension liability	$ 3,975,973	$2,617,817	$ 1,471,685

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS Retirement Trust financial report. The Georgia Municipal Employee Benefit System issues a publicly available financial report that includes financial statements and required supplementary information of GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling 404-688-0472. The plan's fiduciary net position has been determined on the same basis as that used by the plan.

The GMEBS's financial statements are prepared using the accrual basis of accounting. Contributions are recognized as revenues in the period in which the contributions are received. Investment income is recognized as earned by the GMEBS. The net appreciation (depreciation) in the fair value of investments held by the GMEBS is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the Statement of Net Position. Plan refunds, transfers and benefits to participants are recorded as they are received or paid. Other expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Investments are reported at fair value as of the Statement of Net Position date.

Investments of the System consist of common and preferred stocks, corporate fixed income securities, equity and fixed income mutual funds, governmental and governmental agency securities, and real estate. There are no investments in any one organization other than the securities guaranteed by the U.S. government that represent five percent or more of plan net position. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments in real estate funds are valued based on appraisals and valuations prepared by American Realty Advisors. Temporary cash and cash equivalent investments are reported at cost, which approximates fair value. Investments that do not have an established market are reported at estimated fair values.

<u>Pension Expense and Deferred Outflows of Resources and Deferred Inflows of resources Related to Pensions</u>

For the year ended September 30, 2015, the City recognized pension expense of

$302,064. At September 30, 2015, 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	$ -	$ (156,695)
Changes of assumptions	-	(69,125)
Net difference between projected and actual earnings on pension plan investments	-	(245,272)
Employer contributions to the pension plan subsequent to the measurement date of the net pension liability	513,517	-
Total	$ 513,517	$ (471,092)

$513,517 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2016	$ (106,482)
2017	(106,482)
2018	(106,482)
2019	(106,482)
2020	(45,164)
Thereafter	-
	$ (471,092)

(12) POST EMPLOYMENT HEALTHCARE PLAN

Plan Description - The City of Bainbridge OPEB Plan is a single-employer defined benefit healthcare plan administered by the City of Bainbridge. The City provides medical, prescription drug, dental, and vision benefits to retirees. Retirees' spouses are eligible for the same benefits as the retiree with the exception of life insurance. Substantially all of the City's employees may become eligible for those benefits if they retire on or after the age of 55, provided that the employee's age plus completed years of service with the City, at the time of the employee's retirement is equal to or greater than 90. As of January 1, 2013, there were 7 retirees and 3 spouses eligible for the benefits, and 140 current and active employees. The City has the authority to establish and amend benefit provisions.

Funding Policy - The contribution requirements are established and may be amended by the City. The required contribution was determined by an actuarial valuation. The plan is financed on a pay-as-you-go basis. During the year ending September 30, 2015 the City contributed $136,369 to the plan.

Fiscal Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation (Asset)	Amount Contributed
9/30/15	$ 19,062	715%	$ (342,856)	$ 136,369
9/30/14	22,065	493%	(225,549)	108,833
9/30/13	22,065	420%	(138,781)	92,610

The following is the funding status of the Plan as of the most recent valuation date:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/13	$ -	$ 483,658	$ 483,658	0.0%	$ 4,941,982	9.8%

The Schedule of Funding Progress presented as required supplemental information following the notes to the financial statements presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Annual OPEB Cost and Net OPEB Obligation - The City's other postemployment benefit (OPEB) cost (expense) is calculated based on the required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a twenty five year period.

The following table shows the components of the City's OPEB cost for the period, the amount actually contributed to the plan, and changes in the net OPEB obligation (asset):

Required contribution	$ 26,117
Interest on net OPEB obligation	9,022
Adjustment to required contribution	(16,077)
OPEB cost	19,062
Contributions made	136,369
Increase (decrease) in net OPEB obligation (asset)	(117,307)
Net OPEB obligation (asset), beginning of period	(225,549)
Net OPEB obligation (asset), end of period	$ (342,856)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The accompanying schedules of employer contributions present information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a twenty five year period. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about whether the actuarial value of

plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Valuation date	1/1/2013
Actuarial cost method	Projected unit credit
Amortization method	25-year level percent of pay amortization open
Remaining amortization period	23 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment return	4%
Discount rate	3.5%
Inflation rate	3.5%
Medical and drug cost trend rate	8.5% graded to 5% over 8 years

The plan does not issue separate financial statements.

(13)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. The City participates in a public entity risk pool managed by the Georgia Interlocal Risk Management Agency (GIRMA) whereby the risk is pooled with other entities. Participation in this pool allows the City to share liability, crime, motor vehicle and property damage risks.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. GIRMA is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities - GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

The City must participate at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:

- To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.

- To select a person to serve as a Member representative.

- To allow GIRMA and its agents reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.

- To allow attorneys appointed by GIRMA to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the Fund or Funds established by GIRMA.

- To assist and cooperate in the defense and settlement of claims against the City.

- To furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purpose of GIRMA.

- To follow all loss reduction and prevention procedures established by GIRMA.

- To furnish to GIRMA such budget, operating and underwriting information as may be requested.

- To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the City participates.

The City is also exposed to risks of loss related to job-related illnesses or injuries to employees for which the City has transferred its risk through participation in a public entity risk pool managed by the Georgia Municipal Association Group Self Insurance Workers' Compensation Fund whereby the risk is pooled with other entities.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City became a member of the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The liability of the fund to the employees of any employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

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

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and

demanding compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The City believes that coverage provided by these various insurance policies is adequate to cover any outstanding claims as detailed by the carrier. A liability for unpaid deductibles on claims outstanding at year end has been recorded for workers' compensation.

(14)JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the fourteen county Southwest Georgia areas, is a member of the Southwest Georgia Regional Commission. 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 officials of political subdivisions and private citizens representing districts with the Southwest Georgia area. OCGA 50-8-39.1 provides that certain member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from 30 West Broad Street, Camilla, Georgia 31730.

(15)GROUP INSURANCE

The City maintains a self-funded group insurance plan for City employees with stop-loss coverage provided by American National Insurance Company. Group Resources, Inc., of Duluth, Georgia, handles the administration of the program and claims. Financing of the plan is provided by the City and employees participating in the plan. The transactions of the self-funded group insurance plan are accounted for by the Employee Benefits Fund.

Liabilities of the Employee Benefits Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claims settlement trends including frequency and amount of payouts and other economic and social factors.

	Year Ending September 30, 2015	Year Ending September 30, 2014
Claims payable, beginning of year	$ 331,531	$ 243,422
Incurred claims	1,503,700	2,336,143
Claims paid	(1,523,083)	(2,248,034)
Claims payable, end of year	$ 312,148	$ 331,531

(16)FUND BALANCE/NET POSITION DEFICIT

Employee Benefits Fund	$ (283,036)
City Shop Fund	(73,585)
Total net position deficit	$ (356,621)

The City is planning to transfer funds to fund these deficits.

(17) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following fund had expenditures in excess of appropriations for the fiscal year ended September 30, 2015:

	Budget	Actual	Variance with Final Budget
General Fund:			
General Government:			
Finance, budget and accounting	$ 872,318	$ 906,989	$ (34,671)

General fund over expenditures were funded by available fund balances.

(18)RESTATEMENT

The City implemented GASB Statement No. 68 *"Accounting and Financial Reporting for Pensions"* during fiscal year 2015. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability. See also Note 10 for disclosures relating to the City's Pension Plan. The implementation of GASB Statement No. 68 resulted in the following restatements to the City's beginning net position:

	Governmental Activities	Business-Type Activities	Convention and Visitor's Bureau
Beginning Net Position before Restatement	$ 7,618,629	$ 33,767,246	$ 9,680
Restatement - Deferred Outflows of Resources	385,086	122,401	825
Restatement - Net Pension Liability	(2,576,046)	(712,663)	(5,833)
Ending Net Position after Restatement	$ 5,427,669	$ 33,176,984	$ 4,672

	Water Sewer	Natural Gas	Sanitation	Telecom	Internal Service Funds
Beginning Net Position before Restatement	$ 27,321,898	$ 2,835,551	$ 1,673,905	$ 47,059	$ (306,403)
Restatement - Deferred Outflows of Resources	65,189	15,678	38,233	3,301	20,905
Restatement - Net Pension Liability	(344,448)	(110,632)	(223,479)	(34,104)	(138,893)
Ending Net Position after Restatement	$ 27,042,639	$ 2,740,597	$ 1,488,659	$ 16,256	$ (424,391)

The effect of implementing GASB Statement No. 68 to previously reported changes in net position has not been determined.

(19)COMMITMENT

On August 8, 2013, the City entered into an Intergovernmental Contract with the Development Authority of Bainbridge and Decatur County. The Authority issued $1,200,000 Development Authority of Bainbridge and Decatur County Taxable Revenue Bonds (Industrial Building Project), Series 2013 for the purpose of financing the acquisition of property. Payment for the bonds is secured by a pledge of tax revenues by the County and the intergovernmental contract with the City beginning December 1, 2013 through December 1, 2028. In the event the City is required to make payment under the bond, the Authority will reimburse the City as soon as such other moneys become available.

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF BAINBRIDGE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	9/30/2015*
Total pension liability	
Service cost	$ 155,977
Interest	872,039
Differences between expected and actual experience	(188,034)
Changes of assumptions	(82,949)
Benefit payments, including refunds of employee contributions	(679,640)
Net change in total pension liability	77,393
Total pension liability - beginning	11,591,933
Total pension liability - ending (a)	$ 11,669,326
Plan fiduciary net position	
Contributions - employer	$ 508,312
Contributions - employee	-
Net investment income	942,322
Benefit payments including refunds of employee contributions	(679,640)
Administrative expense	(16,261)
Net change in plan fiduciary net position	754,733
Plan fiduciary net position - beginning	8,296,776
Plan fiduciary net position - ending (b)	$ 9,051,509
Association's net pension liability - ending (a) - (b)	$ 2,617,817
Plan fiduciary net position as a percentage of the total pension liability	77.57%
Covered employee payroll	$ 4,742,203
Association's net pension liability as a percentage of covered employee payroll	55.20%

Notes to Schedule:

Benefit changes: Effective January 1, 2015, the Plan was amended to provide for immediate participation for Employees. This change has no impact on service credited under the Plan and has no impact on benefits.

2015 is the first fiscal year that data has been measured in accordance with GASB Statement 68.

*Based on a measurement date of September 30, 2014.

CITY OF BAINBRIDGE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS

	9/30/2015
Actuarially determined contribution	$ 513,517
Contributions in relation to the actuarially determined contribution	513,517
Contribution deficiency (excess)	$ -
Covered-employee payroll	$ 4,742,203
Contributions as a percentage of covered-employee payroll	10.83%

Notes to Schedule:
Valuation Date:
The actuarially determined contribution rate was determined as of January 1, 2015, with an interest adjustment to the fiscal year.

Methods and assumptions to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Varies for the bases, with a net effective amortization period of 10 years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Inflation	3.25%
Salary increases	3.25% plus age and service based merit increases
Investment rate of return	7.75%
Retirement age	65
Mortality	RP-2000 Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

Benefit changes : Effective January 1, 2015, the Plan was amended to provide for immediate participation for Employees. This change has no impact on service credited under the Plan and has no impact on benefits.

2015 is the first fiscal year that data has been measured in accordance with GASB Statement 68.

CITY OF BAINBRIDGE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Post Employment Healthcare Plan:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/13	$ -	$ 483,658	$ 483,658	0.0%	$ 4,941,982	9.8%
01/01/10	-	252,540	252,540	0.0%	5,522,378	4.6%

CITY OF BAINBRIDGE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes	$ 6,100,948	$ 6,162,125	$ 6,143,097	$ (19,028)
Licenses and Permits	50,862	33,272	33,272	-
Intergovernmental	260,000	269,968	269,968	-
Charges for Services	200,934	191,553	191,553	-
Fines and Forfeitures	655,567	556,311	286,564	(269,747)
Investment Earnings	1,500	1,640	1,640	-
Other	101,722	151,728	90,993	(60,735)
Total Revenues	7,371,533	7,366,597	7,017,087	(349,510)
Expenditures:				
General Government:				
Mayor and council	628,441	621,120	441,395	179,725
City manager	227,444	224,712	224,712	-
Finance, budget and accounting	885,358	872,318	906,989	(34,671)
Purchasing	136,653	129,099	126,860	2,239
City attorney	15,000	12,858	12,858	-
Total general government	1,892,896	1,860,107	1,712,814	147,293
Judicial:				
City court	308,538	331,161	331,161	-
Total judicial	308,538	331,161	331,161	-
Community Development:				
Mainstreet tourism	319,196	310,562	310,562	-
Building code enforcement	93,745	68,208	68,208	-
Communications	93,103	117,674	117,674	-
Code enforcement	217,004	237,869	237,869	-
Total community development	723,048	734,313	734,313	-
Public Works:				
Maintenance	107,107	123,131	123,131	-
Streets	1,388,587	1,441,693	1,441,693	-
Total public works	1,495,694	1,564,824	1,564,824	-
Public Safety:				
Services	3,543,176	3,353,205	3,353,205	-
Total public safety	3,543,176	3,353,205	3,353,205	-
Leisure services:				
Administration	67,242	66,306	66,306	-
Parks and cemeteries	797,097	912,584	912,584	-
Programs	243,703	232,802	232,802	-
Acquatic center	83,587	63,163	63,163	-
Tennis center	83,953	120,469	120,469	-
Total leisure services	1,275,582	1,395,324	1,395,324	-
Debt Service:				
Principal	28,146	28,146	28,146	-
Interest	9,024	9,024	9,024	-
Total debt service	37,170	37,170	37,170	-
Total Expenditures	9,276,104	9,276,104	9,128,811	147,293
Excess (deficiency) of Revenues over Expenditures	(1,904,571)	(1,909,507)	(2,111,724)	(202,217)

Continued on next page

CITY OF BAINBRIDGE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses):				
Transfers In	1,862,031	1,866,967	1,866,967	-
Transfers Out	-	-	(32,672)	(32,672)
Sale of Capital Assets	42,540	42,540	16	(42,524)
Total Other Financing Sources (Uses)	1,904,571	1,909,507	1,834,311	(75,196)
Net Change in Fund Balance	$ -	$ -	(277,413)	$ (277,413)
Fund Balance at Beginning of Year			1,769,036	
Fund Balance at End of Year			$ 1,491,623	

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER SUPPLEMENTAL INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF BAINBRIDGE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2015

	Special Revenue Funds		Capital Project Funds				
	Hotel/Motel Tax	Confiscated Assets	Downtown Bainbridge Development Authority	Bainbridge Public Facilities Authority	SPLOST 5	SPLOST 6	Total Nonmajor
ASSETS							
Cash	$ 31,315	$ 6,086	$ -	$ 135,419	$ -	$ 79,500	$252,320
Receivables	14,160	-	-	-	-	-	14,160
Due from other governments	-	-	-	-	-	258,184	258,184
Total assets	$ 45,475	$ 6,086	$ -	$ 135,419	$ -	$ 337,684	$524,664
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ 800	$ 800
Due to other funds	32,066	-	-	-	-	-	32,066
Due to component unit	13,409	-	-	-	-	-	13,409
Total liabilities	45,475	-	-	-	-	800	46,275
Fund balances:							
Restricted for:							
Debt service	-	-	-	135,419	-	-	135,419
Capital projects	-	-	-	-	-	336,884	336,884
Public safety	-	6,086	-	-	-	-	6,086
Total fund balances	-	6,086	-	135,419	-	336,884	478,389
Total liabilities and fund balances	$ 45,475	$ 6,086	$ -	$ 135,419	$ -	$ 337,684	$524,664

CITY OF BAINBRIDGE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds		Capital Project Funds				
	Hotel/Motel Tax	Confiscated Assets	Downtown Bainbridge Development Authority	Bainbridge Public Facilities Authority	SPLOST 5	SPLOST 6	Total Nonmajor
Revenues:							
Taxes	$ 178,807	$ -	$ -	$ -	$ -	$ -	$ 178,807
Intergovernmental	-	4,056	-	-	752,950	827,042	1,584,048
Investment earnings	30	35	-	-	183	-	248
Contributions and donations	-	-	-	-	-	7,586	7,586
Other	-	-	-	-	97	60	157
Total revenues	178,837	4,091	-	-	753,230	834,688	1,770,846
Expenditures:							
Current:							
Public safety	-	54,202	-	-	-	-	54,202
Leisure services	71,522	-	-	-	-	-	71,522
Capital projects	-	-	-	-	71,577	17,767	89,344
Debt service	-	-	376,334	683,938	304,320	201,270	1,565,862
Total expenditures	71,522	54,202	376,334	683,938	375,897	219,037	1,780,930
Excess (deficiency) of revenues over (under) expenditures	107,315	(50,111)	(376,334)	(683,938)	377,333	615,651	(10,084)
Other financing sources (uses):							
Transfers in	-	-	376,334	679,888	-	-	1,056,222
Transfers out	(107,315)	-	-	(77,546)	(699,909)	(278,767)	(1,163,537)
Total other financing sources (uses)	(107,315)	-	376,334	602,342	(699,909)	(278,767)	(107,315)
Net change in fund balance	-	(50,111)	-	(81,596)	(322,576)	336,884	(117,399)
Fund balance at beginning of year	-	56,197	-	217,015	322,576	-	595,788
Fund balance at end of year	$ -	$ 6,086	$ -	$ 135,419	$ -	$ 336,884	$ 478,389

CITY OF BAINBRIDGE, GEORGIA
HOTEL/MOTEL TAX
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	$178,807	$178,807	$ -
Investment earnings	30	30	-
Total revenues	178,837	178,837	-
Expenditures:			
Current:			
Leisure services	71,522	71,522	-
Excess of revenues over expenditures	107,315	107,315	-
Other financing sources (uses):			
Transfers out	(107,315)	(107,315)	-
Net change in fund balance	$ -	-	$ -
Fund balance at beginning of year		-	
Fund balance at end of year		$ -	

CITY OF BAINBRIDGE, GEORGIA
CONFISCATED ASSETS FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	$ 25,000	$ 4,056	$ (20,944)
Investment earnings	175	35	(140)
Total revenues	25,175	4,091	(21,084)
Expenditures:			
Current:			
Public safety	85,000	54,202	30,798
Total expenditures	85,000	54,202	30,798
Excess (deficiency) of revenues over (under) expenditures	(59,825)	(50,111)	9,714
Net change in fund balance	$ (59,825)	(50,111)	$ 9,714
Fund balance at beginning of year		56,197	
Fund balance at end of year		$ 6,086	

CITY OF BAINBRIDGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Employee Benefits	City Shop	Total
ASSETS			
Current assets:			
Cash	$ 96,582	$ -	$ 96,582
Investments	-	50	50
Accounts receivable	294	-	294
Prepaid items	-	1,552	1,552
Inventories	-	63,605	63,605
Due from other funds	22,236	372,618	394,854
Total current assets	119,112	437,825	556,937
Property, plant and equipment, net	-	35,113	35,113
Total assets	119,112	472,938	592,050
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	-	21,975	21,975
LIABILITIES			
Current liabilities:			
Accounts and claims payable	312,148	4,921	317,069
Due to other funds	90,000	418,771	508,771
Accrued compensated absences	-	14,606	14,606
Total current liabilities	402,148	438,298	840,446
Long-term liabilities:			
Net pension liability	-	110,343	110,343
Total liabilities	402,148	548,641	950,789
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	-	19,857	19,857
NET POSITION			
Net investment in capital assets	-	35,113	35,113
Unrestricted	(283,036)	(108,698)	(391,734)
Total net position	$ (283,036)	$ (73,585)	$ (356,621)

CITY OF BAINBRIDGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Employee Benefits	City Shop	Total
Operating revenues:			
Contributions	$ 2,232,530	$ -	$ 2,232,530
Charges for services	-	702,719	702,719
Other	8,971	-	8,971
Total operating revenues	2,241,501	702,719	2,944,220
Operating expenses:			
Personal services	-	324,304	324,304
Operating	-	360,008	360,008
Depreciation	-	4,323	4,323
Benefits and claims	2,188,255	-	2,188,255
Total operating expenses	2,188,255	688,635	2,876,890
Operating income (loss)	53,246	14,084	67,330
Nonoperating revenues (expenses):			
Investment earnings	440	-	440
Increase (decrease) in net position	53,686	14,084	67,770
Net position, beginning of year before restatement	(336,722)	30,319	(306,403)
Restatement	-	(117,988)	(117,988)
Net position, beginning of year after restatement	(336,722)	(87,669)	(424,391)
Net position at end of year	$ (283,036)	$ (73,585)	$ (356,621)

CITY OF BAINBRIDGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Employee Benefits	City Shop	Totals
Cash flows from (to) operating activities:			
Cash received from contributions and services provided	$ 2,228,590	$ 419,018	$ 2,647,608
Cash payments for goods and services	-	(80,582)	(80,582)
Cash payments for claims	(2,207,638)	-	(2,207,638)
Cash payments for employee services and fringe benefits	-	(338,436)	(338,436)
Net cash from (to) operating activities	20,952	-	20,952
Cash flows from (to) investing activities:			
Interest received	440	-	440
Net increase (decrease) in cash	21,392	-	21,392
Cash at beginning of year	75,190	-	75,190
Cash at end of year	$ 96,582	$ -	$ 96,582
Reconciliation of operating income (loss) to net cash from (to) operating activities:			
Operating income (loss)	$ 53,246	$ 14,084	$ 67,330
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:			
Depreciation	-	4,323	4,323
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	182	-	182
(Increase) decrease in prepaid expenses	-	(9)	(9)
(Increase) decrease in due from other funds	(13,093)	(283,701)	(296,794)
(Increase) decrease in inventories	-	(18,278)	(18,278)
(Increase) decrease in deferred outflows related to pension	-	(1,070)	(1,070)
Increase (decrease) in accounts and claims payable	(19,383)	(16,232)	(35,615)
Increase (decrease) in accrued liabilities	-	(4,369)	(4,369)
Increase (decrease) in due to other funds	-	313,945	313,945
Increase (decrease) in net pension liability	-	(28,550)	(28,550)
Increase (decrease) in deferred inflows related to pension	-	19,857	19,857
Net cash from (to) operating activities	$ 20,952	$ -	$ 20,952

THIS PAGE INTENTIONALLY LEFT BLANK

COMPLIANCE SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

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*

The Honorable Edward Reynolds, Mayor
Members of the City of Bainbridge Board of Alderman
Bainbridge, 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, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bainbridge, Georgia, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Bainbridge, 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 the City of Bainbridge, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Bainbridge, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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

Crace Galvis McGrath, LLC | 1825 Barrett Lakes Blvd | Suite 200 | Kennesaw, GA 30144
tel: 770.422.0598 | fax: 678.214.2355 | www.cgmcpa.com

been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Bainbridge, 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*.

City of Bainbridge, Georgia's Response to Findings

City of Bainbridge, Georgia's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. City of Bainbridge, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Crace Galvis McGrath

Crace Galvis McGrath, LLC
Kennesaw, Georgia

February 15, 2016

City of Bainbridge, Georgia
Schedule of Findings and Responses
Year Ended September 30, 2015

Financial Statement Finding

2015-001 *Condition:* Expenditures made with the City credit card were not supported by complete documentation.

Effect: Disbursement of funds occur without proper documentation supporting the transaction.

Recommendation: Strict controls should be implemented so that charges made without detailed documentation cease.

Management Response: Management concurs with the finding and the recommendation.

CITY OF BAINBRIDGE, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Revenues	Expenditures *	Percentage Expended
$178,837	$178,837	100%

* Expended in Hotel/Motel Special Revenue Fund and General Fund.

CITY OF BAINBRIDGE, GEORGIA
Schedule of Projects Constructed with Special Option Sales Tax #5 Proceeds
As of September 30, 2015

	Project	Original Estimated Cost (1)	Current Estimated Cost (2)	Expenditures (2) Prior Years	Current Year	Total
A.	Sewer master plan and associated Debt Service	$ 6,600,000	$10,515,456	$10,469,984	$45,472	$10,515,456
B.	City Hall Renovation and associated General Fund Debt Service	1,825,000	4,769,831	4,767,143	2,688	4,769,831
C.	Road Construction and Maintenance	500,000	360,319	347,184	13,135	360,319
D.	Recreation Improvements	3,000,000	3,572,816	3,562,534	10,282	3,572,816
E.	Water System Improvements	480,000	274,008	274,008	-	274,008
F.	Storm Water Improvements	480,000	247,378	247,378	-	247,378
G.	Public Safety Equipment and Building Improvements	582,743	2,408,724	2,408,724	-	2,408,724
	Totals	$ 13,467,743	$ 22,148,532	22,076,955	71,577	22,148,532
		Debt Service Expenditures		3,787,987	1,004,229	4,792,216
				$25,864,942	$1,075,806	$26,940,748

Notes:

(1) Original Estimated Cost per Intergovernmental contract with Decatur County.
(2) Current Estimated Cost and Expenditures include project costs that will be funded by SPLOST collections, loan and grant proceeds.

CITY OF BAINBRIDGE, GEORGIA
Schedule of Projects Constructed with Special Option Sales Tax #6 Proceeds
As of September 30, 2015

	Project	Original Estimated Cost (1)	Current Year	Total
A.	Water and Sewer bond service	$ 6,500,000	$ 3,175	$ 3,175
B.	General Fund bond service	3,000,000	2,688	2,688
C.	Road Construction and Improvements	1,700,000	4,684	4,684
D.	Recreation Improvements	1,000,000	7,220	7,220
G.	Public Safety Equipment	1,082,000	-	-
	Totals	$ 13,282,000	17,767	17,767
		Debt Service Expenditures	480,037	480,037
			$ 497,804	$ 497,804

Notes:

(1) Original Estimated Cost per Intergovernmental contract with Decatur County.