CITY OF BALDWIN, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2015

CITY OF BALDWIN, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

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FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council of the
City of Baldwin, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the **City of Baldwin, Georgia** (the "City"), as of and for the fiscal year ended June 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 and each major fund of the City of Baldwin, Georgia as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal 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 General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Baldwin, Georgia's basic financial statements. The other supplementary information, the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Other Information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information 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 August 1, 2017 on our consideration of the City of Baldwin, 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's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 1, 2017

CITY OF BALDWIN, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,185,196	$ 2,600,992	$ 3,786,188
Investments	-	121,197	121,197
Accounts receivable, net of allowances	16,341	378,933	395,274
Taxes receivable, net of allowances	85,348	-	85,348
Due from other governments	51,434	-	51,434
Prepaids	89,183	568	89,751
Internal balances	5,550	(5,550)	-
Restricted cash	28,235	611,173	639,408
Capital assets:			
Nondepreciable	226,920	118,604	345,524
Depreciable, net of accumulated depreciation	1,554,448	9,518,937	11,073,385
Total assets	3,242,655	13,344,854	16,587,509
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	87,302	87,302
LIABILITIES			
Accounts payable	113,859	45,357	159,216
Accrued liabilities	18,132	28,654	46,786
Customer deposits	-	80,361	80,361
Compensated absences due within one year	20,981	14,598	35,579
Notes payable due within one year	-	310,000	310,000
Notes payable due in more than one year	-	4,795,265	4,795,265
Total liabilities	152,972	5,274,235	5,427,207
NET POSITION			
Net investment in capital assets	1,781,368	4,619,578	6,400,946
Restricted for:			
Capital projects	516,698	-	516,698
Debt service	-	611,173	611,173
Unrestricted	791,617	2,927,170	3,718,787
Total net position	$ 3,089,683	$ 8,157,921	$ 11,247,604

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

CITY OF BALDWIN, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 237,190	$ 16,230	$ -	$ 11,027
Judicial	51,165	398,550	-	-
Public Safety	1,211,926	531,190	-	98
Public works	349,584	-	-	620,518
Culture and recreation	11,163	41,222	1,000	3,085
Housing and development	4,950	13,990	-	140
Interest on long-term debt	652	-	-	-
Total governmental activities	1,866,630	1,001,182	1,000	634,868
Business-type activities:				
Water and sewer	3,090,041	3,428,601	-	-
Total primary government	$ 4,956,671	$ 4,429,783	$ 1,000	$ 634,868

General revenues:
- Property taxes
- Sales taxes
- Intangible taxes
- Franchise taxes
- Business taxes
- Alcohol & excise taxes
- Insurance premium taxes
- Unrestricted investment earnings
- Miscellaneous revenues
- Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (209,933)	$ -	$ (209,933)
347,385	-	347,385
(680,638)	-	(680,638)
270,934	-	270,934
34,144	-	34,144
9,180	-	9,180
(652)	-	(652)
(229,580)	-	(229,580)
-	338,560	338,560
(229,580)	338,560	108,980
423,447	-	423,447
106,631	-	106,631
2,200	-	2,200
105,125	-	105,125
28,605	-	28,605
39,046	-	39,046
176,960	-	176,960
717	501	1,218
25,867	-	25,867
12,982	3,471	16,453
(132,002)	132,002	-
789,578	135,974	925,552
559,998	474,534	1,034,532
2,529,685	7,683,387	10,213,072
$ 3,089,683	$ 8,157,921	$ 11,247,604

CITY OF BALDWIN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

ASSETS	General Fund	SPLOST Fund	Total Governmental Funds
Cash and cash equivalents	$ 697,259	$ 487,937	$ 1,185,196
Accounts receivable, net of allowances	16,341	-	16,341
Taxes receivable, net of allowances	85,348	-	85,348
Intergovernmental receivable	-	51,434	51,434
Due from other funds	93,563	37,105	130,668
Prepaids	89,183	-	89,183
Restricted assets:			
Cash and cash equivalents	28,235	-	28,235
Total assets	$ 1,009,929	$ 576,476	$ 1,586,405
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 113,859	$ -	$ 113,859
Accrued liabilities	18,132	-	18,132
Due to other funds	37,105	88,013	125,118
Total liabilities	169,096	88,013	257,109
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	62,024	-	62,024
Total deferred inflows of resources	62,024	-	62,024
FUND BALANCES			
Nonspendable:			
Prepaid expenditures	89,183	-	89,183
Restricted:			
Capital projects	28,235	488,463	516,698
Unassigned	661,391	-	661,391
Total fund balances	778,809	488,463	1,267,272
Total liabilities, deferred inflows of resources, and fund balances	$ 1,009,929	$ 576,476	
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.			1,781,368
Long-term liabilities (compensated absences) are not due and payable in the current period and, therefore, are not reported in the funds.			(20,981)
Some revenues are not available in the current period and, therefore, are not reported in the funds.			62,024
Net position of governmental activities			$ 3,089,683

The accompanying notes are an integral part of these statements.

CITY OF BALDWIN, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	SPLOST Fund	Total Governmental Funds
Revenues:			
Property taxes	$ 429,853	$ -	$ 429,853
Sales taxes	106,631	-	106,631
Intangible taxes	2,200	-	2,200
Franchise taxes	105,125	-	105,125
Alcohol excise taxes	39,046	-	39,046
Business taxes	28,605	-	28,605
Insurance premium taxes	176,960	-	176,960
Licenses and permits	30,190	-	30,190
Intergovernmental	528,228	106,047	634,275
Charges for services	572,442	-	572,442
Fines and forfeitures	398,550	-	398,550
Contributions	1,000	-	1,000
Interest earned	717	593	1,310
Miscellaneous	25,867	-	25,867
Total revenues	2,445,414	106,640	2,552,054
Expenditures:			
Current:			
General government	217,766	11,027	228,793
Judicial	51,865	-	51,865
Public safety	1,203,933	3,076	1,207,009
Public works	353,239	25,747	378,986
Culture and recreation	2,317	-	2,317
Housing and development	4,950	-	4,950
Capital outlay	500,000	-	500,000
Debt service:			
Principal	289,679	87,719	377,398
Interest	652	-	652
Total expenditures	2,624,401	127,569	2,751,970
Deficiency of revenues over expenditures	(178,987)	(20,929)	(199,916)
Other financing sources:			
Proceeds from sale of capital assets	12,982	-	12,982
Transfers in	367,998	-	367,998
Total other financing sources	380,980	-	380,980
Net change in fund balances	201,993	(20,929)	181,064
Fund balances, beginning of year, as restated	576,816	509,392	1,086,208
Fund balances, end of year	$ 778,809	$ 488,463	$ 1,267,272

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

CITY OF BALDWIN, GEORGIA

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

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	181,064
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		509,203
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals) is to decrease net position.		(500,000)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(6,406)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the repayment of the principal of long-term debt.		377,398
Some expenses (compensated absences) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(1,261)
Change in net position - governmental activities	$	559,998

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

CITY OF BALDWIN, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2015

ASSETS	Water and Sewer Fund
CURRENT ASSETS	
Cash	$ 2,600,992
Investments	121,197
Accounts receivable, net of allowance	378,933
Due from other funds	88,013
Prepaid expenses	568
Restricted assets:	
Cash	611,173
Total current assets	3,800,876
NONCURRENT ASSETS	
Nondepreciable capital assets	118,604
Depreciable capital assets, net of accumulated depreciation	9,518,937
Total capital assets	9,637,541
Total assets	13,438,417
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	87,302
Total deferred outflows of resources	87,302
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	45,357
Accrued expenses	28,654
Due to other funds	93,563
Compensated absences	14,598
Customer deposits	80,361
Bonds payable, due within one year	310,000
Total current liabilities	572,533
NON-CURRENT LIABILITIES	
Bonds payable, due in more than one year	4,795,265
Total liabilities	5,367,798
NET POSITION	
Net investment in capital assets	4,619,578
Restricted for debt service	611,173
Unrestricted	2,927,170
Total net position	$ 8,157,921

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

CITY OF BALDWIN, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Water and Sewer Fund
OPERATING REVENUE	
Water charges	$ 2,243,411
Sewer charges	924,540
Other	260,650
Total operating revenues	3,428,601
OPERATING EXPENSES	
Personnel services	842,143
Contracted services	661,088
Materials and supplies	918,910
Depreciation	499,831
Total operating expenses	2,921,972
Operating income	506,629
NONOPERATING REVENUES (EXPENSES)	
Gain on sale of capital assets	3,471
Interest income	501
Interest expense	(168,069)
Income before capital contributions and transfers	342,532
Capital contributions	500,000
Transfers out	(367,998)
Change in net position	474,534
Total net position, beginning of year	7,683,387
Total net position, end of year	$ 8,157,921

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

CITY OF BALDWIN, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 3,385,358
Payments to suppliers and service providers	(1,537,975)
Payments to employees	(858,397)
Net cash provided by operating activities	988,986
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITES	
Transfers to other funds	(367,998)
Net cash used in noncapital financing activities	(367,998)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(260,562)
Proceeds from sale of capital assets	6,058
Principal paid on capital debt	(300,000)
Interest paid on capital debt	(177,546)
Net cash used in capital and related financing activities	(732,050)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	403
Net cash provided by investing activities	403
Net decrease in cash	(110,659)
Cash, beginning of year	3,322,824
Cash, end of year	$ 3,212,165
RECONCILIATION OF CASH	
Cash	$ 2,600,992
Restricted Cash	611,173
Total Cash	$ 3,212,165
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	$ 506,629
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	499,831
Change in assets and liabilities:	
Decrease in accounts receivable	(49,372)
Increase in due from other funds	(88,013)
Increase in intergovernmental receivable	-
Increase in accounts payable	42,023
Increase in due to other funds	76,585
Decrease in accrued expenses	(3,159)
Decrease in compensated absences	(1,667)
Increase in customer deposits	6,129
Net cash provided by operating activities	$ 988,986
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
Transfer of capital assets from governmental activities	$ 500,000

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Baldwin, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City, which was incorporated in 1896, operates under the council-manager form of government. Policy-making and legislative authority are vested in the governing council consisting of the mayor and five other members. The government provides such services as police and fire protection, cultural and recreational activities, community development, water and sewer services, and public works.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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 those 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 and proprietary funds are reported as separate columns in the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes and fines to be available if they are collected within 60 days of the end of the current fiscal period. All other revenues are considered available if they are collected within 90 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In accounting and reporting for its proprietary operations, the City applies all GASB pronouncements which includes GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund are charges to customers for services provided. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The **SPLOST (Special Purpose Local Option Sales Tax) Fund** is used to account for the proceeds of a sales tax levied in both Habersham and Banks County, Georgia, which will be used by the City for the exclusive purpose of capital outlay projects in the voter approved referendum.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major proprietary fund:

The **Water and Sewer Fund** is used to account for the user charges for water and sewer services and the expenses of maintaining and improving the infrastructure needed to deliver such services to the citizens of the City.

D. Budgets

Formal budgetary accounting is employed as a management control device for the general fund and capital projects funds of the City. The governmental fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted for the General Fund each fiscal year through passage of an annual budget ordinance and amended as required. The City adopts project length budgets for the SPLOST Fund. During the fiscal year ended June 30, 2015, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All unencumbered budget appropriations lapse at the end of each year.

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.

Georgia statutes authorize the City to invest in the following: (1) obligations of Georgia or any other State; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States Government or one of its agencies; (4) obligations of any corporation of the United States Government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of State or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents.

The remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

G. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

I. Restricted Assets

Proceeds of various issuances of bonds are classified as restricted assets on the balance sheet or Statement of Net Position because they are maintained in a separate bank account and their use is limited by applicable bond covenants.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. As allowed under GASB Statement No. 34, the City did not capitalize any infrastructure purchased or donated prior to the implementation of GASB Statement No. 34. Donated capital assets are recorded at estimated fair value at the date of donation.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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

Asset	Years
Buildings	40
Vehicles	3-10
Machinery and equipment	5-20
Infrastructure	40

K. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide and proprietary fund statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

L. Compensated Absences

City employees are entitled to certain compensated absences such as earned but unused vacation and sick pay benefits based on their length of employment. Compensated absences either vest or accumulate and are accrued when they are earned. The vesting method is used to compute earned vacation pay at year-end. No more than five days can be carried over to a subsequent year without approval. Sick leave is not accrued since no employee can be paid in lieu of sick leave. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Compensated absences are reported as a liability in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Customer Deposits

The City collects deposits from new customers for water and sewer services. The deposits are held until the City discontinues services to the customer and, therefore, are reported as a liability in both the fund and government-wide financial statements.

N. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are accrued and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums and discounts. Issuance costs are expensed in the period in which they are incurred.

In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources and the repayment of debt as debt service expenditures. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

O. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance – Generally, fund balance represents the difference between the assets, liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity (Continued)

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote and passage of an ordinance of the City Council. Only the City Council may modify or rescind the commitment through passage of a subsequent ordinance.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The ordinance passed by the City Council establishing the City's fund balance policy delegated to the City's Financial Manager the authority to assign funds for particular purposes.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund.

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

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources for activities and funds which use the accrual basis of accounting. Amounts shown as net investment in capital assets are made up of capital asset costs, net of accumulated depreciation and any outstanding debt used to acquire, construct or improve the associated assets. Net position is reported as restricted when there are legal limitations or external restrictions imposed upon their use. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Use of Estimates

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

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this $509,203 difference are as follows:

Capital outlay	$	698,470
Depreciation expense		(189,267)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	509,203

NOTE 3. LEGAL COMPLIANCE – BUDGETS

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require the approval of the governing body. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget ordinance.

NOTE 4. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of June 30, 2015, all of the City's bank balances were insured and collateralized as defined by GASB and state statutes.

Investments: As of June 30, 2015, the City had $121,197 of investments, all of which were held in certificates of deposit at a local financial institution as follows:

Description	Term	Maturity Date	Balance
Certificate of deposit	One (1) year	April 15, 2016	$ 63,597
Certificate of deposit	One (1) year	April 15, 2016	17,215
Certificate of deposit	One (1) year	July 16, 2016	40,385
Total Investments			$ 121,197

Interest rate risk: The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The taxes are levied by October 1 based on the assessed value of property as listed on the previous January 1 and are due on or before December 1, with a lien date of January 1 of the following year. Property taxes are recorded as receivables and deferred inflows of resources when assessed. Revenues are recognized when available.

Receivables at June 30, 2015, for the City's individual major funds, including any applicable allowances for uncollectible accounts, are as follows:

	General	SPLOST	Water and Sewer
Receivables:			
Accounts	$ 16,341	$ -	$ 502,525
Taxes	85,348	-	-
Intergovernmental	-	51,434	-
Total receivables	101,689	51,434	502,525
Less allowance for uncollectibles	-	-	(123,592)
Net total receivable	$ 101,689	$ 51,434	$ 378,933

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the fiscal year ended June 30, 2015 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Nondepreciable capital assets:				
Land and improvements	$ 226,920	$ 500,000	$ (500,000)	$ 226,920
Total	226,920	500,000	(500,000)	226,920
Depreciable capital assets:				
Buildings and improvements	770,780	37,301	-	808,081
Machinery and equipment	573,659	26,933	(3,200)	597,392
Vehicles	851,211	134,236	(21,348)	964,099
Infrastructure	901,792	-	-	901,792
Total	3,097,442	198,470	(24,548)	3,271,364
Less accumulated depreciation for:				
Buildings and improvements	(199,527)	(27,553)	-	(227,080)
Machinery and equipment	(430,914)	(56,324)	3,200	(484,038)
Vehicles	(723,943)	(60,300)	21,348	(762,895)
Infrastructure	(197,813)	(45,090)	-	(242,903)
Total	(1,552,197)	(189,267)	24,548	(1,716,916)
Depreciable capital assets, net	1,545,245	9,203	-	1,554,448
Governmental activities capital assets, net	$ 1,772,165	$ 509,203	$ (500,000)	$ 1,781,368

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Nondepreciable capital assets:				
Land and improvements	$ 118,604	$ -	$ -	$ 118,604
Total	118,604	-	-	118,604
Depreciable capital assets:				
Buildings and improvements	170,400	32,000	-	202,400
Machinery and equipment	1,768,794	143,171	(46,999)	1,864,966
Vehicles	130,235	83,825	(10,818)	203,242
Infrastructure	15,506,019	501,566	-	16,007,585
Total	17,575,448	760,562	(57,817)	18,278,193
Less accumulated depreciation for:				
Buildings	(67,864)	(7,075)	-	(74,939)
Machinery and equipment	(1,301,969)	(112,506)	44,412	(1,370,063)
Vehicles	(94,406)	(23,904)	10,818	(107,492)
Infrastructure	(6,850,416)	(356,346)	-	(7,206,762)
Total	(8,314,655)	(499,831)	55,230	(8,759,256)
Depreciable capital assets, net	9,260,793	260,731	(2,587)	9,518,937
Business-type activities capital assets, net	$ 9,379,397	$ 260,731	$ (2,587)	$ 9,637,541

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

Governmental activities:	
General government	$ 19,112
Public safety	95,186
Public works	66,123
Culture and recreation	8,846
Total depreciation expense - governmental activities	$ 189,267
Business-type activities:	
Water and sewer	$ 340,706
Water plant	159,125
Total depreciation expense - business-type activities	$ 499,831

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity of the City for the year ended June 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable	$ 377,398	$ -	$ (377,398)	$ -	$ -
Compensated absences	19,720	36,942	(35,681)	20,981	20,981
Total governmental activities long-term liabilities	$ 397,118	$ 36,942	$ (413,079)	$ 20,981	$ 20,981
Business-type activities					
Bonds payable	$ 5,260,000	$ -	$ (300,000)	$ 4,960,000	$ 310,000
Original issue premium	164,841	-	(19,576)	145,265	-
Compensated absences	16,265	29,219	(30,886)	14,598	14,598
Total business-type activities long-term liabilities	$ 5,441,106	$ 29,219	$ (350,462)	$ 5,119,863	$ 324,598

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

The City has reported 100% of the compensated absences liability as due in one year as historical usage patterns show employees use earned vacation within one year.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds – Business-type Activities. In 2012, the City issued $5,400,000 of Series 2012 revenue bonds to refund the City's remaining Series 1987 revenue bonds, Series 1997 A&B revenue bonds, and series 2001 revenue bonds. These bonds carry interest rates ranging from 2% to 5% which are payable on June 1 and December 1 of each year and matures on June 1, 2038. The outstanding balance of these revenue bonds at June 30, 2015 is $4,960,000.

The City's debt service requirements to maturity on its business-type activities revenue bonds are as follows:

Year ending June 30,	Principal	Interest
2016	$ 310,000	$ 168,546
2017	325,000	156,146
2018	340,000	143,146
2019	355,000	129,546
2020	370,000	122,446
2021-2025	2,085,000	402,205
2026-2030	755,000	120,927
2031-2035	250,000	61,257
2036-2038	170,000	13,283
Total	$ 4,960,000	$ 1,317,502

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	$ 93,563
SPLOST Fund	General Fund	37,105
Water and Sewer Fund	SPLOST Fund	88,013
		$ 216,681

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Water and Sewer Fund	$ 367,998

Transfers are used to move unrestricted revenues collected in the water and sewer fund to finance various programs of the City accounted for in the general fund in accordance with budgetary authorizations.

In addition to the transfers noted above, Governmental Activities transferred $500,000 in capital assets from Governmental Activities to Business-type Activities at the government wide level, which are not reported in the fund level activity.

NOTE 9. DEFINED CONTRIBUTION PENSION PLAN

The City's 401(a) defined contribution retirement plan is a single employer defined contribution plan administered by the Georgia Municipal Association. The City matches 25% for each dollar of employee contributions up to 6% of the employee's contribution to the section 457(b) deferred compensation plan. Only full-time employees participating in the section 457(b) deferred compensation plan are eligible after being employed for one year. Plan provisions and contribution requirements are established and may be amended by the City Council. The City's contribution for 2015 was $- and employee contributions were $520.

NOTE 10. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the area, is a member of the Georgia Mountains regional Commission (GMRC) and is required to pay annual dues thereto. During the year ended June 30, 2015, the City paid $2,808 in such dues. Membership in the GMRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of the GMRC. GMRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts of obligations of the GMRC. Separate financial statements may be obtained from the GMRC, P.O. Box 1720, Gainesville, Georgia 30503-1720.

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund, a public entity risk pool currently operating as common risk management and insurance programs for member local governments.

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the 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 funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract. The fund is to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims have not exceeded the coverages in the last three years.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the last three years.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation:

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

Grant Contingencies:

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

NOTE 13. RESTATEMENT

The City has determined the following restatement to beginning equity was required in the City's General Fund to remove franchise fee revenues that were recognized in the previous year that did not meet the availability criteria as of June 30, 2014 and should have been reported as a deferred inflow of resources. The effect of the restatement resulted in changes to beginning fund balance for the General Fund as follows:

Fund Balance, as previously reported	$	622,294
To adjust unavailable revenue and related revenue from the prior year		(45,478)
Fund Balance, as restated	$	576,816

NOTE 14. SUBSEQUENT EVENT

In April 2017, the City issued a GEFA note payable in the amount of $1,634,000. Proceeds from the note will be used to finance water system improvements including a new elevated water storage tank, servicing and painting existing storage tanks, a new booster pump station, installing pressure reducing valves in the distribution system and other related improvements. The note bears an interest rate of 2.03% annually. The term of the note shall extend 20 years from the commencement date.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BALDWIN, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Required Supplementary Information)

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 444,500	$ 444,500	$ 429,853	$ (14,647)
Sales taxes	58,000	100,000	106,631	6,631
Intangible taxes	-	-	2,200	2,200
Franchise taxes	115,000	115,000	105,125	(9,875)
Alcohol excise taxes	37,500	37,500	39,046	1,546
Business taxes	21,000	21,000	28,605	7,605
Insurance taxes	170,000	170,000	176,960	6,960
Licenses and permits	20,000	20,000	30,190	10,190
Intergovernmental	-	528,228	528,228	-
Charges for services	595,425	595,425	572,442	(22,983)
Fines and forfeitures	183,000	226,690	398,550	171,860
Contributions	-	-	1,000	1,000
Interest earned	-	-	717	717
Miscellaneous	7,000	7,000	25,867	18,867
Total revenues	1,651,425	2,265,343	2,445,414	180,071
Expenditures:				
Current:				
General government:				
Legislative	41,437	41,437	28,180	13,257
Elections	2,500	4,500	4,296	204
Financial administration	119,992	136,992	126,200	10,792
Law	65,000	65,000	53,809	11,191
Buildings	11,000	11,000	5,281	5,719
Total general government	239,929	258,929	217,766	41,163
Judicial:				
Municipal court	50,344	52,344	51,865	479
Total judicial	50,344	52,344	51,865	479
Public safety:				
Police	628,723	777,138	771,651	5,487
Fire	408,227	432,227	415,189	17,038
Custody of prisoners	15,000	15,000	9,183	5,817
Animal control	7,500	8,000	7,910	90
Total public safety	1,059,450	1,232,365	1,203,933	28,432
Public works				
Highways and streets	142,327	239,173	237,359	1,814
Solid waste and recycling	123,000	123,000	115,880	7,120
Total public works	265,327	362,173	353,239	8,934
Culture and recreation				
Parks	2,000	2,350	2,317	33
Total culture and recreation	2,000	2,350	2,317	33
Housing and development	3,500	4,800	4,950	(150)

Continued

CITY OF BALDWIN, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Required Supplementary Information)

	Budget			Variance With
	Original	Final	Actual	Final Budget
Debt service:				
Principal retirements	-	290,000	289,679	321
Interest and fiscal charges	-	-	652	(652)
Capital outlay	-	500,000	500,000	-
Total expenditures	1,620,550	2,702,961	2,624,401	78,560
Excess (deficiency) of revenues over expenditures	30,875	(437,618)	(178,987)	258,631
Other financing sources:				
Proceeds from sale of capital assets	1,000	1,000	12,982	11,982
Transfers in	-	368,000	367,998	(2)
Total other financing sources	1,000	369,000	380,980	11,980
Net change in fund balance	31,875	(68,618)	201,993	270,611
Fund balance, beginning of year, restated	576,816	576,816	576,816	-
Fund balance, end of year	$ 608,691	$ 508,198	$ 778,809	$ 270,611

OTHER SUPPLEMENTARY INFORMATION

CITY OF BALDWIN, GEORGIA

SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PROJECT	ORIGINAL ESTIMATED COST	REVISED ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENT COMPLETE
Habersham County, Georgia SPLOST V - Commenced May 1, 2008						
Water Development	$ 425,000	$ 425,000	$ 81,185	$ 21,244	$ 102,429	24.10 %
Sewer Development	400,000	400,000	99,269	1,799	101,068	25.27
Roads / Bridges	350,000	350,000	64,380	2,977	67,357	19.24
Recreation	29,540	59,000	58,629	-	58,629	99.37
Police Equipment	137,730	162,470	160,482	1,988	162,470	100.00
Fire Equipment	193,190	233,095	144,561	88,534	233,095	100.00
Public Facilities	475,000	422,788	132,109	11,027	143,136	33.86
Totals	$ 2,010,460	$ 2,052,353	$ 740,615	$ 127,569	$ 868,184	

OTHER INFORMATION

CITY OF BALDWIN, GEORGIA
OTHER INFORMATION
June 30, 2015

WATER OPERATIONS

Fiscal Year	Volume of Water Purchase	Cost of Water Purchased from Plant	Volume of Water Billed to Customers	Revenue from Water Billed to Customers	Percent Water Loss
2006	201,814,000	$ 257,637	141,456,850	$ 623,225	29.91 %
2007	205,617,000	261,134	143,032,125	653,455	30.44
2008	198,246,000	251,772	133,539,603	659,305	32.64
2009	174,346,000	263,262	116,575,533	866,113	33.14
2010	155,388,000	234,636	117,782,400	843,949	24.20
2011	159,814,000	241,319	117,162,209	857,614	26.69
2012	156,880,000	287,090	111,774,787	843,593	28.75
2013	167,446,140	544,213	112,816,608	880,092	32.63
2014	167,493,000	544,352	115,278,853	891,254	31.17
2015	171,504,000	326,363	132,651,911	988,954	22.65

TOTAL WATER AND SEWER SYSTEM CONNECTIONS

	WATER CONNECTIONS		SEWER CONNECTIONS	
Fiscal Year	Residential	Commercial	Residential	Commercial
2006	1,386	147	656	95
2007	1,485	146	716	94
2008	1,491	148	721	97
2009	1,442	142	676	91
2010	1,442	142	676	91
2011	1,479	137	712	88
2012	1,458	137	696	96
2013	1,754	150	904	101
2014	1,718	154	877	102
2015	1,714	157	866	105

LARGEST WATER AND SEWER USERS

User Name	Water Gallons Per Year	Sewer Gallons Per Year	Combined Revenue Fiscal 2015	Percent of Water and Sewer Revenue
Department of Corrections	-	71,778,460	$ 466,772	24.39 %
Fieldale Corporation	18,041,000	8,391,700	211,141	11.03
Heritage Gardens	5,465,900	5,465,900	103,008	5.38
Oak Heritage Healthcare, Inc.	4,747,200	4,747,200	86,841	4.54
Windstream	2,201,800	2,201,800	43,952	2.30
Magnolia Window & Door	2,131,700	2,131,700	42,209	2.21
Baldwin Court Apartments	1,997,170	1,997,170	37,487	1.96
Habersham Retreat	1,047,300	1,047,300	18,211	0.95
Devon Lining	999,950	999,950	19,055	1.00
Nichalos Puckerin	854,970	854,970	16,242	0.85
All Others	95,164,921	34,915,185	868,576	45.39
TOTALS	132,651,911	134,531,335	1,913,494	100.00

CITY OF BALDWIN, GEORGIA
OTHER INFORMATION
June 30, 2015

RATIO OF LARGEST WATER USERS TO TOTAL WATER VOLUME

TEN LARGEST USERS' VOLUME		37,486,990
AMOUNT OF WATER DELIVERED TO CUSTOMERS		132,651,911
TEN LARGEST USERS PERCENTAGE OF TOTAL WATER VOLUME	28.26 %	

RATIO OF LARGEST SEWER USERS TO TOTAL SEWER VOLUME

TEN LARGEST USERS' VOLUME		99,616,150
AMOUNT OF WASTEWATER FLOW		134,531,335
TEN LARGEST USERS PERCENTAGE OF TOTAL WASTEWATER VOLUME	74.05 %	

RATIO OF LARGEST WATER AND SEWER USERS TO TOTAL WATER AND SEWER VOLUME

REVENUE FROM TEN LARGEST USERS		$ 1,044,918
COMBINED WATER AND SEWER REVENUE		$ 1,913,494
TEN LARGEST USERS PERCENTAGE OF TOTAL WATER AND SEWER REVENUE	54.61 %	

WATER AND SEWER RATES

INSIDE RATES	**WATER** per 1,000 gallons	**SEWER** per 1,000 gallons
Residential		
1st 2,000 gallons	$ 10.00	$ 15.50
2,001 - 6,000 gallons	5.30	7.85
6,001 - 9,000 gallons	7.95	8.10
9,001 and up gallons	10.60	8.45
Commercial		
1st 2,000 gallons	$ 10.00	$ 15.50
2,001 - 18,000 gallons	5.30	7.85
18,001 - 226,000 gallons	7.95	8.10
226,001 and up gallons	10.60	8.45

OUTSIDE RATES	**WATER** per 1,000 gallons	**SEWER** per 1,000 gallons
Residential		
1st 1,000 gallons	$ 19.00	$ 17.80
1,001 - 6,000 gallons	6.25	8.25
6,001 - 9,000 gallons	9.38	8.55
9,001 and up gallons	12.50	9.00
Commercial		
1st 1,000 gallons	$ 19.00	$ 17.80
1,001 - 18,000 gallons	6.25	8.25
18,001 - 226,000 gallons	9.38	8.55
226,001 and up gallons	12.50	9.00

CITY OF BALDWIN, GEORGIA
ENTERPRISE FUND
SCHEDULE OF DEBT SERVICE COVERAGE RATIOS
June 30, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
INCOME BEFORE DEBT SERVICE	*$ 120,218*	*$ 290,983*	*$ (41,312)*	*$ 261,456*	*$ 252,366*	*$ 325,693*	*$ 152,585*	*$ 499,479*	*$ 559,690*	*$ 507,130*
DEBT SERVICE EXISTING PROJECTS	214,338	213,039	202,011	201,053	199,963	203,740	191,360	-	-	-
DEBT SERVICE NEW SEWER PLANT	312,313	312,873	313,060	312,860	312,325	311,425	229,252	180,346	320,346	477,546
	526,651	525,912	515,071	513,913	512,288	515,165	420,612	180,346	320,346	477,546
REVENUE AVAILABLE FOR DEBT SERVICE	120,218	290,983	(41,312)	261,456	252,366	325,693	152,585	499,479	559,690	507,130
ADD BACK DEPRECIATION	440,760	454,628	462,583	462,706	493,264	503,799	520,286	523,788	519,518	499,831
TOTAL AVAILABLE FOR DEBT SERVICE	560,978	745,611	421,271	724,162	745,630	829,492	672,871	1,023,267	1,079,208	1,006,961
DEBT SERVICE COVERAGE	1.07	1.42	0.82	1.41	1.46	1.61	1.60	5.67	3.37	2.11

COMPLIANCE SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members
of the City Council
City of Baldwin, Georgia

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Baldwin, Georgia (the "City") as of and for the fiscal year ended June 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 August 1, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Baldwin, 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, as items 2015-001, 2015-002, 2015-003, and 2015-004, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2015-005.

City of Baldwin, Georgia's Responses to Findings

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 1, 2017

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Honorable Mayor and Members
of the City Council of the
City of Baldwin, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Baldwin, Georgia's (the "City's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the City of Baldwin, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 1, 2017

CITY OF BALDWIN, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. Department of Housing and Urban Development			
Passed through Georgia Department of Community Affairs			
Community Development Block Grant Program/Entitlement Grants	14.228	12p-x-068-2-5481	$ 500,000
Total U.S. Department of Housing and Urban Development			500,000
Total Expenditures of Federal Awards			$ 500,000

See accompanying notes to schedule of expenditures of federal awards.

CITY OF BALDWIN, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2015

(1) Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.

In instances where the grant agreement requires the City to match grant awards with local funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133. “Audits of States, Local Governments and Non-Profit Organizations.” Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

CITY OF BALDWIN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	X yes ____ no
Significant deficiencies identified?	____ yes X none reported
Noncompliance material to financial statements noted?	X yes ____ no

Federal Awards

Internal control over major programs: Material weaknesses identified?	____ yes X no
Significant deficiencies identified?	____ yes X none reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	____ yes X no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	____ yes X no

CITY OF BALDWIN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2015-001 Timely Reporting of Accurate Financial Information

Criteria: Timely and accurate financial reporting of all funds included in the financial statements of the City to facilitate informed financial decisions by the City's management and those with oversight of management is imperative.

Condition: Internal controls were not sufficient to facilitate the accurate, timely reporting of the City's overall financial position and results of operation as of and for the fiscal year ended June 30, 2015.

Context/Cause: The City did not complete its year-end closing process to provide the final trial balances and the necessary subsidiary ledgers for its funds for the fiscal year ended June 30, 2015 for auditing until March 2017.

Effects: The City was unable to report accurate financial information on either an accrual or modified accrual basis, as appropriate, in a timely manner.

Recommendation: We recommend the City implement procedures to ensure timely and accurate financial reporting to facilitate informed financial decisions.

Auditee's Response: We concur with the finding. We will take necessary steps to ensure that all funds pertaining to the City are included in the monthly accrual or modified accrual, as appropriate, closeout procedures, which in turn will simplify the year end accrual or modified accrual, as appropriate, close out procedures.

CITY OF BALDWIN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2015-002 Segregation of Duties

Criteria: Internal controls should be in place, which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: The size of the City's accounting and administrative staff preclude internal controls that would be preferred if the office staff were large enough, to provide optimum segregation of duties. Appropriate segregation of duties was not noted within the following areas of the City: cash receipting, recording and reconciliation process; journal entry review; revenue and receivable recording; accounts payable and expense/expenditure recording; personnel and payroll recording; grant recording; inventory and capital asset maintenance; and debt and debt service expenditures.

Context/Cause: Although the small size of the City's staff limits the segregation of duties, it is important that incompatible duties be assigned to different individuals and/or compensating controls implemented. No one employee should have access to both physical assets and the related accounting records, or to all phases of a transaction.

Effects: Failure to properly segregate duties or implement compensating controls can lead to misappropriation of funds or abuse of the system that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

Recommendation: We recommend the City segregate duties and/or implement compensating controls in the key areas noted above.

Auditee's Response: We will continue to review our operations to determine the most efficient and effective solution to properly segregate duties.

CITY OF BALDWIN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2015-003 Revenue Recognition

Criteria: Internal controls should be in place to ensure that amounts reported as receivables and revenues are appropriate and properly valued in accordance with generally accepted accounting principles.

Condition: Misstatements were detected in the reporting of the City's revenues, deferred inflows of resources and related receivables.

Context/Cause: During our testing, audit adjustments were required to properly report the City's revenues, deferred inflows of resources and related receivables. The following adjustments were made to correct the reporting of the City's revenues, deferred inflows of resources and related receivables:

- An adjustment of approximately $45,500 was required, in the City's General Fund, to correct the reporting period for the City's franchise fee revenues. As of June 30, 2014, revenues were recognized in error as the funds were not available, therefore, the revenue recognition should not occur until fiscal year 2015, when available.
- An adjustment of approximately $48,600 was required, in the City's General Fund, to record the receipt of certain franchise fees as a deferred inflows of resources for unavailable revenue, for the fiscal year ended June 30, 2015, in accordance with the City's approved availability policy.
- The City's SPLOST fund was not properly reporting the accrued SPLOST receivables for amounts due from Habersham County and Banks County for revenues that the underlying transaction had occurred during the fiscal year ended June 30, 2015 but remitted subsequent to year end. Accruals of approximately $26,500 were required to be recorded.

Effects: The City's revenues for the fiscal year ended June 30, 2015 were not materially stated, and required adjustments of approximately $120,600 to correct the reporting of the current year's revenues, and of that amount, approximately $45,500 restated opening fund balance of the General Fund.

Recommendation: We recommend the City carefully review all revenues to ensure they are reported in the proper reporting period and in accordance with generally accepted accounting principles.

Auditee's Response: We will take necessary steps in the future to ensure that revenues are properly recorded.

CITY OF BALDWIN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2015-004 Expenses and Related Liability Accounts

Criteria: Generally, expenses should be recognized as soon as a liability is incurred, regardless of the timing of the related cash flows in accordance with generally accepted accounting principles (GAAP).

Condition: Misstatements were detected in the reporting of the City's expenses and the related Statement of Net Position accounts.

Context/Cause: During our testing, an adjustment of approximately $40,000 was required in the Water and Sewer Fund to record additional invoices in accounts payable and expenses that were not accrued as of June 30, 2015, but should have been.

Effects: An audit adjustment of approximately $40,000 was required to correctly report the City's expenses and related liabilities in accordance with GAAP.

Recommendation: We recommend the City carefully review all expenditures/expenses and related Statement of Net Position accounts to ensure they are reported in the proper reporting period and in accordance with generally accepted accounting principles.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that expenditures and their related liabilities are properly recorded.

CITY OF BALDWIN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2015-005 SPLOST Fund Accounting

Criteria: The Official Code of Georgia (OCGA) 48-8-121(a) requires the activity of each SPLOST not be commingled with the activity of other funds.

Condition: Misstatements were detected in the reporting of the City's balances within the various funds. SPLOST funds were commingled with General Fund funds during the fiscal year.

Context/Cause: During our testing of interfund balances it was noted that the SPLOST fund bank account transferred funds to the General Fund in the amount of approximately $37,100. These funds were not returned to the SPLOST Fund during the year and were owed at fiscal year-end.

Effects: During the fiscal year ended June 30, 2015, the General Fund owed the SPLOST fund, approximately $37,100, for amounts transferred to the General Fund during fiscal year 2015.

Recommendations: We recommend the City carefully review all revenues and expenditures to ensure the activity is properly reported in the appropriate SPLOST Fund.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure SPLOST funds are not commingled with any other funds during the year.

CITY OF BALDWIN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF BALDWIN, GEORGIA

STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015

None reported for federal award programs.