CITY OF BLACKSHEAR, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia

CITY OF BLACKSHEAR, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

City of Blackshear, Georgia
Financial Statements
For the Fiscal Year Ended June 30, 2015

Table of Contents

	Page
Introductory Section	
Organization Chart	6
Financial Section	
Independent Auditor's Report	9-11
Management's Discussion and Analysis	12-21
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	23
Statement of Activities	24
Fund Financial Statements:	
Balance Sheet	25
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	26
Statements of Revenues, Expenditures, and Changes in Fund Balance	27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	28-29
Proprietary Funds	
Statement of Net Position	30
Statement of Revenues, Expenses, and Changes in Net Position	31
Statement of Cash Flows	32-33
Notes to the Basic Financial Statements:	
Index to Notes to the Basic Financial Statements	35-36
Notes to the Basic Financial Statements	37-76
Required Supplementary Information Other than MD&A	
Schedule of Revenues and Expenditures Budget and Actual--General Fund	79
Notes to Required Supplementary Information General Fund	80
Pension Plan	82-85
Notes to Required Supplementary Information Pension Plan	86-89

City of Blackshear, Georgia
Financial Statements
For the Fiscal Year Ended June 30, 2015

Table of Contents (continued)

	Page
Supplementary Information	
Non-Major Governmental Funds:	
Combining Balance Sheet	91
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	92
Non-Major Special Revenue Fund:	
Combining Balance Sheet	95
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	96
Police Confiscations:	
Balance Sheet	97
Schedule of Revenues, Expenditures and Changes in Fund Balance -Budget and Actual	98
Hotel/Motel Tax Fund	
Balance Sheet	99
Schedule of Revenues, Expenditures and Changes in Fund Balance -Budget and Actual	100
Non-Major Capital Project Funds:	
Combining Statements:	
Balance Sheet	103
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	104-105
Multi Purpose Building:	
Balance Sheet	106
Schedule of Revenues, Expenditures and Changes in Fund Balance -Budget and Actual	107
Capital Improvement Fund:	
Balance Sheet	108
Schedule of Revenues, Expenditures and Changes in Fund Balance -Budget and Actual	109
CDBG 12p-x-113-2-5458	
Balance Sheet	110
Schedule of Revenues, Expenditures and Changes in Fund Balance -Budget and Actual	111

Table of Contents (continued)

	Page
Major Governmental Funds:	
Capital Project Fund:	
2008 SPLOST Fund	113
2014 SPLOST Fund	114
CDBG 14p-x-113-2-2231	115
General Fund--A Major Fund	
Comparative Balance Sheet	118
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance	119
State of Georgia Grant Certification Report and Forms:	
Independent Auditor's Report on Special 1 Percent Sales and Use Tax	122
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds	123-124
Report on Internal Control over Financial Reporting and on compliance and other mattes based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	125-126

Introductory Section

CITY OFFICIALS

MAYOR
Richard E. Larson

MAYOR PROTEM
Mary Lott Walker

COUNCIL

Melvin Johnson
Jerry Dixon
Jerry Hollis
David Smith
Timmy Sapp

CITY CLERK
Susan Fowler

CITY JUDGE
Kenneth Futch

POLICE CHIEF
Chris Wright

FIRE CHIEF
Bucky Goble

CITY ATTORNEY
Adam Ferrell

PUBLIC WORKS SUPERVISOR
Donnie Harris

WATER AND SEWER SUPERVISOR
Donnis Harris

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Earl A. Lawson CERTIFIED PUBLIC ACCOUNTANT

POST OFFICE DRAWER 942
112 N. CENTRAL AVENUE
BLACKSHEAR, GA 31516-0942
TELEPHONE: 912-449-5485
FAX: 912-449-1529

INDEPENDENT AUDITOR'S REPORT

To the City Council
Blackshear, Georgia

Report on Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Blackshear, Georgia, as of and for the year ended June 30, 2015, and the related notes 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 controls 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements. Whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

MEMBER:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blackshear, Georgia, as of June 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, budgetary comparison and pension information on pages 12-21 and 79-89 be presented to supplement the financial statements. Such information although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Blackshear, Georgia's basic financial statements. The combining, individual nonmajor fund financial statements, the budgetary comparison schedules for capital projects and the comparative financials statements for the general fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The major capital project funds as well as the combining and individual fund statements of the non major funds and the comparative financial statements for the general fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements, themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the major capital project fund as well as the combining and individual fund statements and the comparative financial statements of the general fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reproting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated September 25, 2015 on my consideration of the City of Blackshear Georgia's internal controls over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of my testing, of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 Blackshear's internal control over financial reporting.

Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia
September 25, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the basic financial statements prepared by the City.

Management's Discussion and Analysis

Within this section of the City of Blackshear, Georgia (City) annual financial report, the City's management provides narrative discussion and analysis of the financial activities of the City for the year ended June 30, 2015. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the City's primary government.

FINANCIAL HIGHLIGHTS

The City's total assets exceeded its total liabilities by $14,009,211 (net position) for the year reported. This compares to the previous year when the total assets exceeded the total liabilities by $13,117,878

The net position for the year ended June 30, 2014 was adjusted by a Prior Period Adjustment for the GASB Statement 68. See note 3A on page 50 for the change in the net position.

Total net position is comprised of the following:

1. Net Investment in Capital Assets, of $9,636,386 include property and equipment, net of accumulated depreciation, and reduced by outstanding debt related to the purchase and construction of capital assets.
2. Net position of $1,344,033 are restricted by constraints imposed upon the City by laws and regulations.
3. Unrestricted net position of $3,028,792 represent the portion available to maintain the City's continuing obligations to citizens and creditors.

The City's governmental funds reported total ending fund balance of $3,110,587 this year. This compares to the prior year ending fund balance, of $3,113,644 showing an decrease of $3,057 during the current year.

At the end of the current year, unassigned fund balance for the General Fund was $1,840,071, or 85.2% of total General Fund expenditures.

Overall, the City of Blackshear, Georgia, is in a strong financial position.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 23-24 provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on pages 25-33. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus Is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the required supplementary information for the general. fund Budgetary comparison for special revenue funds and capital project funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 25-29 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. These are enterprise funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization such as the water system, solid waste and revolving loans.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for major enterprise funds. Individual fund information for the non-major enterprise funds is found in combining and individual fund statements in a later section of this report.

The basic proprietary fund financial statements are presented on pages 30-33 of this report.

Notes to the basic financial statements:

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are on pages 34-76 of this report.

Overview to the Financial Statements

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The City's annual report includes two government- wide financial statements. These statements provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the City-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as Net Position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification to the taxpayer base or the condition of City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities which reports how the City's net position changed during the current year. All current year revenues and expenses are included *regardless of when cash is received or paid. An important purpose of the design of the statement* of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Governmental activities include general government, public safety, public works, culture and recreation and community development.

The City's financial reporting includes the funds of the City (primary government).

The Government-wide financial statements are presented on pages 23-24 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported.

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus Is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the required supplementary information for the general. fund Budgetary comparison for special revenue funds and capital project funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 25-29 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. These are enterprise funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization such as the water system, solid waste and revolving loans.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for major enterprise funds. Individual fund information for the non-major enterprise funds is found in combining and individual fund statements in a later section of this report.

The basic proprietary fund financial statements are presented on pages 30-33 of this report.

Notes to the basic financial statements:

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are on pages 34-76 of this report.

THE CITY AS A WHOLE

The City's combined net position were $14,009,211 at the end of June 30, 2015 and $13,117,878 at the end of June 30, 2014 for a increase of $891,333 during the year. The net position belong to the Governmental Activities $8,001,603 and the Business-type Activities $6,007,608.

Table 1

	Governmental Activities		Business-type Activities		Total Primary Government	
	June '30		June '30		June '30	
	2014	2015	2014	2015	2014	2015
Current and other assets	$ 3,421,995	$ 3,662,452	$ 1,100,926	$ 1,167,126	$ 4,522,921	$ 4,829,578
Non-Current assets	4,886,561	5,471,493	6,656,146	6,997,984	11,542,707	12,469,477
Deferred outflows of resources	-	66,052	-	25,510	-	91,562
Total assets and deferred outflows of resources	8,308,556	9,199,997	7,757,072	8,190,620	16,065,628	17,390,617
Current Liabilities	111,790	134,679	585,730	485,675	697,520	620,354
Long term liabilities	415,009	639,809	1,356,618	1,686,011	1,771,627	2,325,820
Deferred inflows of resources	183,976	423,906	-	11,326	183,976	435,232
Total liabilities and deferred inflows of r	710,775	1,198,394	1,942,348	2,183,012	2,469,147	3,381,406
Net position:						
Net investment in capital assets	4,413,182	5,024,060	4,952,944	4,612,326	9,366,126	9,636,386
Restricted	1,265,302	1,164,450	77,438	179,583	1,342,740	1,344,033
Unrestricted (deficit)	1,919,297	1,813,093	784,342	1,215,699	2,703,639	3,028,792
Total net position	$ 7,597,781	$ 8,001,603	$ 5,814,724	$ 6,007,608	$ 13,412,505	$ 14,009,211

Net position for the City's governmental activities as well as the business-type activities has a prior period adjustment to comply with GASB Statement 68. Therefore, the total net position presented above for the 2014 year does not agree with the net position in the Statement of Activities on page 24, because the prior year statements was not adjusted for the prior period adjustment changes. See Note 3-A on page 50 for the explanation of the prior period adjustment.

Net position of the City's governmental activities increase by $616,366 during the year ended June 30, 2015 compared to $648,274 for the year ended June 30, 2014

The net position of our business type activities increased by $274,967 for the year ended June 30, 2015 compared to ($22,113) for the year ended June 30, 2014. This increase in the water and sewer was $260,937 the increase in solid waste $9,660 and the increase $4,370 in the revolving loan fund for the year ended June 30, 2015. The business type activities are used to support the continuing operations of the water and sewer, solid waste and revolving loan activities of the City.

Governmental Activities

Revenues for the City's governmental activities increased by 11.87 percent, $340,329 while total expenses increased 8.85 percent $194,639.

The City has net position for 2015 of $14,009,211 and in 2014 of $13,117,878

The City has an increase in net position for 2015 of $891,333 and in 2014 an increase of $626,161

Table 2
Changes in Net Position of
Government and Business Type Activities

	Governmental Activities		Business-type Activities		Total Primary Government	
	June '30		June '30		June '30	
Revenues:	2014	2015	2014	2015	2014	2015
Program Revenues:						
Charges for services	$ 229,257	$ 289,225	$ 1,634,588	$ 1,604,201	$ 1,863,845	$ 1,893,426
Operating grants	-	-	-	-	-	-
Capital grants	798,147	849,583	-	-	798,147	849,583
General Revenues:						
Property taxes	1,008,072	1,222,178	-	-	1,008,072	1,222,178
Other taxes	824,946	839,850	-	-	824,946	839,850
Interest	5,987	5,902	1,607	1,651	7,594	7,553
Total Revenues	2,866,409	3,206,738	1,636,195	1,605,852	4,502,604	4,812,590
Expenses						
General government	260,062	238,237	-	-	260,062	238,237
Public safety	1,137,932	1,284,372	-	-	1,137,932	1,284,372
Public works	647,168	680,345	-	-	647,168	680,345
Culture and recreation	26,417	57,814	-	-	26,417	57,814
Community development	108,563	117,127	-	-	108,563	117,127
Interest	18,639	15,725	86,752	55,035	105,391	70,760
Revolving loan	-	-	-	-	-	-
Water and Sewer	-	-	1,300,905	1,169,899	1,300,905	1,169,899
Waste collection	-	-	304,105	302,703	304,105	302,703
Total expense	2,198,781	2,393,620	1,691,762	1,527,637	3,890,543	3,921,257
Excess (deficiency) before transfers and contributions	667,628	813,118	(55,567)	78,215	612,061	891,333
Gain on sale of capital assets	14,100	-	-	-	14,100	-
Transfers	(33,454)	(196,752)	33,454	196,752	-	-
Increase (decrease) in net position	$ 648,274	$ 616,366	$ (22,113)	$ 274,967	$ 626,161	$ 891,333

The cost of all governmental activities this year was $2,383,620 compared to $2,198,781 last year. However, as shown in the Statement of Activities on page 23, the amount that our taxpayers ultimately financed for these activities through City taxes was $1,254,812 because some of the cost was paid by those who directly benefited from the programs $289,225 or by other governments and organizations that subsidized certain programs with grants and contribution $849,583

Business-Type Activities

Revenues of the City's business-type activities (see Table 2) decreased by 1.85 percent $30,343 in 2015 compared to an decrease $99,188 in 2014 and expenses decreased by 9.70 percent $164,125 The factors driving these results include:

The Water and Sewer had fewer repairs in 2015 as well as a decrease in the interest paid.

THE CITY'S FUNDS

As the City completed the year, its governmental funds as presented in the balance sheet on page 24 reported a combined fund balance of $3,110,587 which is a decrease from last year's total of $3,113,644

General Fund Budgetary Highlights

The City Council did adjust the budget during the year ended June 30, 2015.

The City General Fund had a variance of $106,271 in the revenue. The budget had total revenue of as originally adopted $2,254,161 and as amended $2,254,161 . The actual revenue was $2,360,432. The City Clerk, Mayor and the City Council is monitoring the budget to actual results monthly.

The City General Fund had a variance of $23,088 in expenditures. The budget as originally adopted had total expenditures of $2,182,014 and as amended $2,182,014.The actual expenditures were $2,158,926. The City Clerk, Mayor, City Council and department heads are monitoring the budget to actual results monthly.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2015 the City had $11,542,707 invested in a broad range of capital assets, including police and fire equipment, buildings, roads, bridges, and water and sewer lines. (See Table 4 below.) This amount represents a net increase) including additions and deductions) of $363,566, or 3.15 percent, over last year.

Table 4
Capital Assets at Year-End June 30, 2014 and 2013
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Primary Government	
	June '30		June '30		June '30	
	2015	2014	2015	2014	2015	2014
Land and construction in proc	$ 770,000	$ 770,000	$ 644,147	$ 644,147	$ 1,414,147	$ 1,414,147
Building and Improvements	635,014	637,244	7,487	9,977	642,501	647,221
Infrastructure	3,233,618	2,655,482	-	-	3,233,618	2,655,482
System and system improvements			5,877,924	6,096,800	5,877,924	6,096,800
Equipment	738,083	729,057	-	-	738,083	729,057
Totals	$ 5,376,715	$ 4,791,783	$ 6,529,558	$ 6,750,924	$ 11,906,273	$ 11,542,707

This year's major addition included:

> The City plans to continue to update its equipment and add new water and sewer system expansion and improvements.

The City has no plans to issue additional debt to finance these projects. More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

See Note 5 on pages 52-53 for additional information about the City's capital assets.

Debt

At year-end, the City had $2,381,132 in bonds and notes outstanding verse $2,290,336 last year a increase of $90,795 or 3.96 percent --as shown in Table 5.

Table 5
Outstanding Debt at Year-End

	Governmental Activities June '30		Business-type Activities June '30		Primary Government June '30	
	2015	2014	2015	2014	2015	2014
Leases	$ -	$ -	$ -	$ -	$ -	$ -
Revenue bonds (backed by water & sewer fee revenues)	-	-	966,256	1,055,947	966,256	1,055,947
Capital leases	68,804	60,509	-	-	68,804	60,509
Note payable	283,851	318,092	951,246	742,033	1,235,097	1,060,125
Compensated absences	110,975	113,755	-	-	110,975	113,755
Totals	$ 463,630	$ 492,356	$ 1,917,502	$ 1,797,980	$ 2,381,132	$ 2,290,336

The City issued new debt in the amount of $52,043 during the year ended June 30, 2015. The City does not plan to issue any new debt during the year ended June 30, 2016.

The City repaid debt during the year ended June 30, 2015 in the amount of $306,337 in its business type activities and $ 107,951 in its governmental activities.

See Note 8 on pages 57 - 64 for additional information about the City's long term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal-year June 30, 2016 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy.

The City is continuing to upgrade its water and sewer system.

If these estimates are realized, the City's budgetary General Fund balance is expected to increase modestly by the close of June 30, 2016.

As for the City's business-type activities, we expect that the June 30, 2016 results will also improve based upon these decisions:

The State of Georgia unemployment rate is 12.4%, whereas the unemployment rate is 7.5% for the City of Blackshear.

Blackshear also features:

A modern library facility.
A modern community center.
The Better Hometown Program is very active within the City.
The Street Scape project In Downtown Blackshear is completed.
The City Park is undergoing extensive improvements.
Other improvements are continuing to be made within the City.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Manager's Office at City Hall, Blackshear, Georgia.

Basic Financial Statements

The basic financial statements include the government-wide statement of net position and government-wide statement of activities which include all of the primary government's governmental activities and business-type activities. In addition, the basic financial statements include the fund financial statements and the notes to the financial statements.

City of Blackshear, Georgia
Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows of Resources:			
Current Assets			
Cash	$ 2,602,208	$ 887,500	$ 3,489,708
Receivables (net)	286,848	274,692	561,540
Intergovernmental receivables	762,846	-	762,846
Notes receivable	-	-	-
Prepaid	10,550	4,934	15,484
Total Current Assets	3,662,452	1,167,126	4,829,578
Non-Current Assets:			
Internal balances	94,778	(94,778)	-
Notes receivable	-	563,204	563,204
Capital assets :			
Land, improvements, and construction in progress	770,000	644,147	1,414,147
Other capital assets, net of depreciation	4,606,715	5,885,411	10,492,126
Total Non-Current Assets	5,471,493	6,997,984	12,469,477
Total assets	9,133,945	8,165,110	17,299,055
Deferred Outflows of Resources	66,052	25,510	91,562
Total Assets and Deferred Outflows of Resources	9,199,997	8,190,620	17,390,617
Liabilities and Deferred Inflow of Resources			
Current Liabilities			
Accounts payable and accrued expenses	64,217	66,896	131,113
Accured Interest	1,008	4,622	5,630
Intergovernmental	-	-	-
Due within one year	69,454	414,157	483,611
Total Current Liabilities	134,679	485,675	620,354
Long-term liabilities (net of current portion):			
Due in more than one year	283,201	1,503,075	1,786,276
Customer Deposits	-	88,075	88,075
Net Pension Liability	245,633	94,861	340,494
Compensated absences	110,975	-	110,975
Total long term liabilities	639,809	1,686,011	2,325,820
Deferred Inflows of Resources	423,906	11,326	435,232
Total Liabilities and Deferred Inflows or Resources	1,198,394	2,183,012	3,381,406
Net Position			
Net Investment in Capital Assets	5,024,060	4,612,326	9,636,386
Restricted for:			
Debt service	-	179,583	179,583
Capital projects	1,154,430	-	1,154,430
Public Safety	10,020	-	10,020
Unrestricted (deficit)	1,813,093	1,215,699	3,028,792
Total net position	$ 8,001,603	$ 6,007,608	$ 14,009,211

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

City of Blackshear, Georgia
Statement of Activities
For The Year Ended June 30, 2015

Functions/Programs	Expense	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total
PRIMARY GOVERNMENT:							
Government activities:							
General government	$ 238,237	$ 68,353	$ -	$	$ (169,884)	$ -	$ (169,884)
Public safety	1,284,372	190,503	-	253,445	(840,424)	-	(840,424)
Public works	680,345	30,369	-	556,138	(93,838)	-	(93,838)
Culture and recreation	57,814	-	-	40,000	(17,814)	-	(17,814)
Community development	117,127	-	-		(117,127)	-	(117,127)
Interest on long-term debt	15,725	-	-		(15,725)	-	(15,725)
Total governmental activities	2,393,620	289,225	-	849,583	(1,254,812)	-	(1,254,812)
Business-type activities:							
Revolving loan	-	4,262	-	-	-	4,262	4,262
Solid Waste	302,703	264,284	-	-	-	(38,419)	(38,419)
Water & Sewer	1,224,934	1,335,655	-	-	-	110,721	110,721
Total business-type activities	1,527,637	1,604,201	-	-	-	76,564	76,564
Total primary government	$ 3,921,257	$ 1,893,426	$ -	$ 849,583	(1,254,812)	76,564	(1,178,248)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					1,222,178	-	1,222,178
Sales Taxes					364,493	-	364,493
Franchise taxes					285,517	-	285,517
Insurance premium tax					185,482	-	185,482
Other taxes					4,358	-	4,358
Gain on sale of capital assets					-	-	-
Interest earned					5,902	1,651	7,553
Total general revenues					2,067,930	1,651	2,069,581
Transfers					(196,752)	196,752	-
Total general revenues, special items, and transfers					1,871,178	198,403	2,069,581
Change in net position					616,366	274,967	891,333
Net position---beginning (Restated) See Note 3-A Page 50					7,385,237	5,732,641	13,117,878
Net position---ending					$ 8,001,603	$ 6,007,608	$ 14,009,211

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

City of Blackshear, Georgia
Balance Sheet
Governmental Funds
June 30, 2015

	General	Capital Project 2008 SPLOST	Capital Project 2014 SPLOST	Capital Project CDBG 14p-x 113-2-2231	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 1,367,247	$ 621,509	$ 497,366	$	$ 116,086	$ 2,602,208
Receivables, net	286,848	-	-	-	-	286,848
Due from other funds	94,778	-	-	-	-	94,778
Intergovernmental	157,566	-	125,335	479,945	-	762,846
Prepaids	10,550	-	-	-	-	10,550
Inventories	-	-	-	-	-	-
Total Assets	$ 1,916,989	$ 621,509	$ 622,701	$ 479,945	$ 116,086	$ 3,757,230
Liabilities and Deferred inflows of Resources and Fund Balance						
Liabilities:						
Accounts payable and accruals	$ 16,217	$ -	$ 48,000	$	$ -	$ 64,217
Due to other funds	-	-	-	-	-	-
Payable to other governments	-	-	-	-	-	-
Total Liabilities	16,217	-	48,000	-	-	64,217
Deferred Inflows of Resources	60,700	-	41,780	479,945	-	582,425
Total Liabilities and Deferred Inflows of Resources	76,917	-	89,780	479,945	-	646,642
Fund balances:						
Nonspendable	10,550	-	-	-	-	10,550
Restricted:						
Capital Projects	-	621,509	532,921	-	-	1,154,430
Public Safety	-	-	-	-	10,020	10,020
Committed						
Public Safety	-	-	-	-	-	-
Capital Projects	-	-	-	-	106,066	106,066
Assigned	-	-	-	-	-	-
Unassigned	1,829,521	-	-	-	-	1,829,521
Total Fund Balances	1,840,071	621,509	532,921	-	116,086	3,110,587
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 1,916,988	$ 621,509	$ 622,701	$ 479,945	$ 116,086	$ 3,757,229

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

City of Blackshear, Georgia
Reconciliation of Total Governmental Fund
Balances to Net Position of Governmental Activities
For The Year Ended June 30, 2015

TOTAL GOVERNMENTAL FUND BALANCES		$ 3,110,587
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		
Cost	8,436,109	
Less accumulated depreciation	(3,059,394)	
Net capital assets		5,376,715
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Inflows Pension	(29,326)	
Outflows Pension	66,052	
Property taxes	24,300	
Grant	85,365	
Special Local Option Sales Tax	41,780	
Local Option Sales Tax	36,400	224,571
Liabilities, including notes and capital leases are not due and payable in the current period and therefore are not reported in the funds:		
Accrued Interest	(1,009)	
Notes payable	(283,851)	
Net Pension Liability	(245,633)	
Capital leases	(68,804)	
Compensated absences	(110,975)	(710,272)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 8,001,601

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

City of Blackshear, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For The Year Ended June 30, 2015

		Capital Project			Other	Total
		2008	2014	CDBG 14p-x	Govern-	Governmental
Revenues	**General**	**SPLOST**	**SPLOST**	**113-2-2231**	**mental Funds**	**Funds**
Taxes	$ 1,846,074	$ -	$ -	$ -	$ 24,040	$ 1,870,114
Fines and forfeitures	168,458	-	-	-	9,909	178,367
Intergovernmental	190,374	-	506,891	-	302,693	999,958
Charges for services	110,858	-	-	-	-	110,858
Interest	4,668	1,165	-	-	68	5,901
Other	40,000	-	-	-	-	40,000
Total Revenues	2,360,432	1,165	506,891	-	336,710	3,205,198
Expenditures						
Current:						
General government	226,709	-	-	-	-	226,709
Public safety	1,203,594	-	-	-	3,428	1,207,022
Public works	558,789	-	-	-	-	558,789
Culture and recreation	13,107	-	-	-	24,040	37,147
Community development	156,727	-	-	-	-	156,727
Capital Outlay:						
General government	-	17,131	-	-	-	17,131
Public safety	-	12,674	1,719	-	58,105	72,498
Public works	-	418,057	-	-	271,294	689,351
Culture and recreation	-	-	3,870	-	-	3,870
Debt service:						
Principal	-	-	-	-	77,989	77,989
Interest and other charges	-	-	-	-	16,313	16,313
Total Expenditures	2,158,926	447,862	5,589	-	451,169	3,063,546
Excess (deficiency) of revenues over expenditures	201,506	(446,697)	501,302	-	(114,459)	141,652
Other Financing Sources (Uses)						
Inception of lease	-	-	-	-	52,043	52,043
Sale of general capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	177,037	177,037
Transfers out	(176,600)	(73,810)	(84,566)	-	(38,813)	(373,789)
Total financing Sources And Uses	(176,600)	(73,810)	(84,566)	-	190,267	(144,709)
Net Change in Fund Balance	24,906	(520,507)	416,736	-	75,808	(3,057)
Fund Balances Beginning	1,815,165	1,142,016	116,185	-	40,278	3,113,644
Fund Balances Ending	$ 1,840,071	$ 621,509	$ 532,921	$ -	$ 116,086	$ 3,110,587

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

City of Blackshear, Georgia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2015

NET CHANGES IN FUND BALANCES TOTAL GOVERNMENTAL FUNDS			$ (3,057)
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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.			
Capital outlay	$	822,450	
Depreciation expense		(237,518)	584,932
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position deiffers from the change in fund balance by the net book value of assets sold.			
Cost of capital assets sold	$	-	
Less: accumulated depreciation		-	
Net book value of assets sold			-
Elimination of transfers between Governmental funds:			
Transfers in	$	177,037	
Transfers out		(177,037)	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Taxes		197	
Grant		-	
Special Local Option Sales Tax		(1,100)	
Local Option Sales taxes		2,442	1,539
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. The issuance of long term debt increases long term liabilities and the repayment of long term debt reduces long term liabilities in the statement of net position.			
Issuance of capital lease		(52,043)	
Accrued interest		588	
Repayment of long term debt		77,989	26,534
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Compensated absences		2,781	
Pension expense		3,637	6,418

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

City of Blackshear, Georgia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2015

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 616,366

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

City of Blackshear, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2015

Assets and Deferred Outflows of Resources Resources	Enterprise Funds Water and Sewer	Solid Waste	Revolving Loan	Totals
Current assets:				
Cash	$ 446,775	$ 36,484	$ 224,658	$ 707,917
Receivables, net	228,582	46,109	-	274,691
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Prepaid	4,934	-	-	4,934
Total Current Assets	680,291	82,593	224,658	987,542
Noncurrent assets:				
Restricted cash	179,583	-	-	179,583
Notes Receivable	415,463	-	147,741	563,204
Capital assets:				
Land and improvements	644,147	-	-	644,147
Construction in progress	-	-	-	-
Distribution, collection systems and		-		
Buildings and equipment	13,085,215	-	-	13,085,215
Less accumulated depreciation	(7,199,804)	-	-	(7,199,804)
Total Noncurrent Assets	7,124,604	-	147,741	7,272,345
Deferred Outflows of Resources	15,475	10,035		25,510
Total Assets and Deferred Outflows of Resources	$ 7,820,371	$ 92,628	$ 372,399	$ 8,285,398
Liabilities and Deferred Inflows of Resources and Net Position:				
Current liabilities:				
Accounts payable and accrued expenses	$ 48,023	$ 18,873	$ -	$ 66,896
Accrued interest bonds and notes	4,622	-	-	4,622
Due to other funds	94,778	-	-	94,778
Bonds, notes, and loans payable	435,180	-	-	435,180
Total Current Liabilities	582,603	18,873	-	601,476
Noncurrent liabilities:				
Customer deposits	88,075	-	-	88,075
Net pension liability	57,543	37,318		94,861
Bonds, notes, and loans payable	1,482,322	-	-	1,482,322
Total Noncurrent Liabilities	1,627,940	37,318	-	1,665,258
Total Liabilities	2,210,543	56,191	-	2,266,734
Deferred Inflows of Resources	6,871	4,455		11,326
Total Liabilities and Deferred Inflows of Resources	2,217,414	60,646	-	2,278,060
Net Position				
Net Investment in capital assets	4,612,056	-	-	4,612,056
Restricted for debt service	179,583	-	-	179,583
Unrestricted	811,317	31,982	372,399	1,215,698
Total Net Position	5,602,957	31,982	372,399	6,007,338
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 7,820,371	$ 92,628	$ 372,399	$ 8,285,398

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

City of Blackshear, Georgia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For The Year Ended June 30, 2015

	Enterprise Funds			
	Water and Sewer	Solid Waste	Revolving Loan	Totals
OPERATING REVENUES				
Charges for services	$ 1,335,655	$ 264,284	$ -	$ 1,599,939
Interest on Loans	-	-	4,262	4,262
TOTAL OPERATING REVENUES	1,335,655	264,284	4,262	1,604,201
OPERATING EXPENSES				
Personnel services	163,390	114,862	-	278,252
Contracted services	277,538	9,930	-	287,468
Utilities and disposal	141,413	143,594	-	285,007
Repairs and maintenance	66,823	13,055	-	79,878
Other supplies and expense	108,366	21,262	-	129,628
Depreciation	412,369	-	-	412,369
TOTAL OPERATING EXPENSES	1,169,899	302,703	-	1,472,602
OPERATING INCOME (LOSS)	165,756	(38,419)	4,262	131,599
NONOPERATING INCOME (EXPENSES)				
Loans receivable write off	-	-	-	-
Interest revenue	1,543	-	108	1,651
Intergovernmental	-	-	-	-
Interest expense	(55,035)	-	-	(55,035)
TOTAL NONOPERATING INCOME (EXPENSES)	(53,492)	-	108	(53,384)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	112,264	(38,419)	4,370	78,215
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	-	-	-	-
Transfers In	158,376	57,783	-	216,159
Transfers Out	(9,703)	(9,704)	-	(19,407)
NET CAPITAL CONTRIBUTIONS AND TRANSFERS	148,673	48,079	-	196,752
CHANGE IN NET POSITION	260,937	9,660	4,370	274,967
				-
TOTAL NET POSITION BEGINNING (Restated)				
See Note 3-A Page 49	5,342,290	22,322	368,029	5,732,641
TOTAL NET POSITION ENDING	$ 5,603,227	$ 31,982	$ 372,399	$ 6,007,608

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

City of Blackshear, Georgia
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2015

	Enterprise Funds			
	Water and Sewer	Solid Waste	Revolving Loan	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,364,493	$ 259,208	$ 4,262	$ 1,627,963
Payments to suppliers	(595,770)	(185,958)	-	(781,728)
Payments to employees	(163,390)	(108,051)	-	(271,441)
Other receipts (payments)	-	-	-	-
Net cash provided by operating activities	605,333	(34,801)	4,262	574,794
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Loans receivable	-	-	13,210	13,210
Due from other governments	10,125	-	-	10,125
Transfers In (Out)	148,672	48,079	-	196,751
Deferred Outflows	1,906	1,236	-	3,142
Net cash (used) by Noncapital Financing Activities	160,703	49,315	13,210	223,228
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Capital contributions	-	-	-	-
Purchases of capital assets	(191,003)	-	-	(191,003)
Principal paid on capital debt	(296,211)	-	-	(296,211)
Interest paid on capital debt	(54,397)	-	-	(54,397)
Other receipts (payments)	(10,125)	-	-	(10,125)
Net cash (used) by capital and related financing activities	(551,736)	-	-	(551,736)
CASH FLOWS FROM INVESTING ACTIVITIES				
	-	-	-	-
Interest	1,543	-	108	1,651
Net cash provided by investing activities	1,543	-	108	1,651
Net (decrease) in cash and cash equivalents	215,843	14,514	17,580	247,937
BALANCES BEGINNING OF THE YEAR	410,515	21,970	207,078	639,563
BALANCES END OF THE YEAR	$ 626,358	$ 36,484	$ 224,658	$ 887,500
Displayed As:				
Cash	$ 446,775	$ 36,484	$ 224,658	$ 707,917
Restricted cash	179,583	-	-	179,583
CASH BALANCE END OF YEAR	$ 626,358	$ 36,484	$ 224,658	$ 887,500

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

City of Blackshear, Georgia
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2015

	Enterprise Funds			
	Water and Sewer	Solid Waste	Revolving Loan	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED BY OPERATING ACTIVITIES				
Operating income (loss)	$ 165,756	$ (38,419)	$ 4,262	$ 131,599
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	412,369	-	-	412,369
Change in assets and liabilities:				
Receivables	21,828	(5,076)	-	16,752
Prepaid	-	-	-	-
Accounts and other payables	1,630	8,694	-	10,324
Accrued expenses	-	-	-	-
Deposits	3,750	-	-	3,750
Net cash provided by operating activities	$ 605,333	$ (34,801)	$ 4,262	$ 574,794

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

City of Blackshear, Georgia
Index to Notes to the Basic Financial Statements

Note		Page
1	Summary of Significant Accounting Policies	
	A. Reporting Entity	37
	B. Basis of Financial Statement Presentation	37
	C. Measurement Focus - Basis of Accounting	40
	D. Basis of Accounting	40
	E. Assets, Liabilities and Fund Equity	42
	E-1. Cash, Cash Equivalents and Investments	42
	E-2. Consumable Inventories	42
	E-3. Prepaid Items	42
	E-4 Receivables	43
	E-5 Capital Assets	43
	E-6. Compensated Absences	45
	E-7. Accrued Liabilities and Long-term Obligations	45
	E-8. Bond Premiums, Discounts and Issuance Cost	45
	E-9 Fund Equity	45
	E-10. Operating and non-operating revenues	47
	E-11. Contributions of Capital	47
	E-12. Interfund Activity	47
	E-13. Estimates	48
2	Stewardship, compliance and accountability	
	A. Budgetary Information	48
3	Excess of Expenditures over Appropriations	49
3-A	Prior Period Adjustment	50
4	Receivables and Payables	50-51
5	Capital assets	52-53
5-A	Deferred Inflows of Resources	52
6	Deferred Outflows and Inflows of Resources	53-55
7	Interfunds balances and activity	56

City of Blackshear, Georgia
Index to Notes to the Basic Financial Statements

Note		Page
8	Long-term obligations	57-64
9	Pensions	65-72
10	Risk Management	73-74
11	Commitments and Contingencies	75
12	Landfill	75
13	Joint Ventures	75
14	Related Organizations	76

The City of Blackshear, Georgia (the "City") is a Georgia municipal corporation and operates under a charter and a mayor/council form of government.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. For it enterprise funds, the City applies any FASB statements and interpretations issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements.

The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, and other organizations that are included to ensure that the financial statements are not misleading.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization.

Discretely presented component units generally are reported only at the government-wide financial reporting level.

Discretely Presented Component Units - Based on the GASB criteria, the City has no entities that qualify as discretely presented component units.

Blended Component Units - Based on the GASB criteria, the City has no entities that qualify as blended component units.

1-B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Note 1 - Summary of Significant Accounting Policies (Continued)

Government-wide Financial Statements - The government-wide financial statements include a statement of net position and a statement of activities. These statements report financial information for the City as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. Individual funds are not displayed at this reporting level, but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly related to the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finances annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Accounting - The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds; governmental and proprietary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to they purposes for which the may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following is the City's major governmental fund:

> ***General Fund*** - The general fund accounts for all financial resources except those required to be accounted for in other funds. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Georgia.
>
> **Capital Project Funds:**
>
> The 2008 Special Local Option Sales Tax Fund is to account for the acquisition and construction of major facilities as required by the resolution.
>
> The 2014 Special Local Option Sales Tax Fund is to account for the acquisition and construction of major facilities as required by the resolution.
>
> Grant 14p-x-113-2-2231 Fund is to account for the construction per the grant documentation and budgets.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise funds. The following is the City's major Proprietary Funds:

> ***Water and Sewer System Fund*** - This fund is used for the operation of the City's water and sewer system which renders services to the residents and businesses located within the City.
>
> **Solid Waste Fund**- To account for the collection of funds for the removal and disposal of yard and other waste material.
>
> **Revolving Loan Fund** - To account for the loan activity within the employment incentive program.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses, including depreciation.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus in these financial statements. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase "available for exchange transactions" means expected to be received within twelve months of year-end.

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place and on the modified accrual basis, it is recognized in the year received (i.e., when considered available). Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 4-c) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue form non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

Unearned Revenue:

Unearned Revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E. Assets, Liabilities and Fund Equity

1-E-1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

Georgia law authorizes the City to invest in the following type of obligations:

Obligations of the State of Georgia or of any other states
Obligations of the United states Government
Obligations fully insured or guaranteed by the Government of governmental agency
Obligations of any corporation of the government
Prime bankers' acceptances
The State of Georgia local government investment pool (i.e., Georgia Fund I)
Repurchase agreements
Obligations of the other political subdivisions of the State of Georgia

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations.

1-E-2. Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed.

1-E-3. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure in the year in which the services are consumed. At the fund reporting level, an equal amount of fund balance in reserved as this amount is not available for general appropriation.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-4 Receivables:

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Accounts receivable comprise the majority of proprietary fund receivables. Allowance for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

The majority receivable for the City is property taxes and grant receivable. Property is appraised and a lien on such property becomes enforceable 60 days after final notification on delinquency of property taxes. Property taxes are levied by the last quarter of the year in which they are assessed, or as soon after as deemed practical. Taxes are due and payable when levied. Property taxes are levied on all taxable real, public utility and personal property (including vehicles) located within the City. Assessed values for property tax purposes are determined by the Pierce County Board of Tax Assessors for all property except public utilities and motor vehicles. Assessed value is set at 40% of market value. Public utility assessed values are established by the State of Georgia. The City of Blackshear may place liens on property once the related tax payments become delinquent.

The property tax calendar is as follows:

Beginning of year for taxes	January 1, 2015
Levy date and Millage Rate Established	May 15, 2015
Real Property Assessment Notice Mailed	July 15, 2015
City digest approved by the State of Georgia	August 30, 2015
Real Property tax bill rendered	October 7, 2015
Real Property tax payment due	December 7, 2015

1-E-5. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement to net position but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise funds' statement of net position.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-5. Capital Assets (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consist of roads, bridges and water and sewer lines. Improvements (i.e., betterments) to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend as asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

The City of Blackshear is a Phase III Government in regards to the implementation of GASB 34. Therefore, the infrastructure included in these financial statements includes the infrastructure added since GASB 34 was implemented. Infrastructure prior to the implementation of GASB 34 is not included.

All reported capital assets are depreciated except for land, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land improvements	20 years	20 years
Buildings and plant	40 years	40 years
Machinery and equipment	5 - 10 years	5 - 30 years
Vehicles	8 years	8 years
Infrastructure	10 - 65 years	0
System Improvements Water & Sewer	0	30-40 Years

General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to July 1, 2003.

It is the City's policy to capitalize interest during construction. The interest is capitalized net of interest income from the proceeds of related tax exempt debt. Interest costs capitalized during the year ended June 30, 2015 was $0.00.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-6. Compensated Absences

Vacation and sick leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only *"when due."*

1-E-7. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Debt service expenditures are recognized as a liability in the governmental fund financial statements when due.

1-E-8. Bond Premiums, Discounts and Issuance Cost

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable and bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

1-E-9. 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 current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-9. Fund Equity (Continued)

Nonspendable - Fund balances are reported as nonspendable when amounts cannot be spent because that are either (a) no in spendable form (I.E., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

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

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. The City Council also may modify or rescind the commitment.

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 or committed. Through resolution, the City Council has authorized the City's Mayor to assign fund balances.

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 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:

Committed
Assigned
Unassigned

Net Position- Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used (i.e., the amount the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net positions are reported as unrestricted .

The City applies restricted resources first when an expense is incurred for purposed for which both restricted and unrestricted net positions are available.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-10. Operating and non-operating revenues and expenses: Revenues and Expense

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and or services. Also included are all revenues and expenses not related to capital and related financing, non-capital financing, or investing activities. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, the County's policy is to use restricted resources first, then unrestricted resources as needed.

Expenditures/expenses:

In the government-wide financial statements, expenses are classified by function for governmental activities. In the fund financial statements, governmental fund expenditures are classifies by character i.e. current (further classified by function), debt service, and capital outlay. Proprietary fund expenses are classified as operating and non-operating.

In the fund financial statements, governmental funds report expenditures of current financial resources. Proprietary funds report expenses relating to use of economic resources.

1-E-11. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-12. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement of repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

1-E-12. Interfund Activity (continue)

Policy for eliminating internal activity in government-wide statements:

Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are reported as internal balances.

Internal activities- amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for for the net amount of transfers between governmental and business-type activities, which are reported as transfers-internal activities.

The effect of interfund services between funds is not eliminated in the statement of activities.

1-E-13. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2 - Stewardship, Compliance and Accountability

2-A. Budgetary Information - The City adopts an annual operating budget for the general fund and enterprise fund. The budget resolution reflects the total of each department's appropriation in each fund.

The governmental funds budgets are adopted on the modified accrual basis of accounting. The budget for the enterprise funds are prepared on the accrual basis of accounting.

The City Charter established the fiscal year as the twelve-month period beginning July 1. The departments submit to the City Administer a budget of estimated expenditures for the ensuing fiscal year after which the City Administer subsequently submits a budget of estimated expenditures and revenues to the City Council by May 1.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

Prior to May 1, the City Clerk prepares a proposed budget for the fiscal year commencing July 1.

The City Clerk submits the proposed budget to the Mayor and Council.

Public hearings are held to obtain taxpayer's comments.

The budget is legally enacted through the passage of a resolution.

All revisions to the budget must be submitted to the City Council for approval.

Budgetary appropriations lapse at the end of the fiscal year.

Encumbrances - The City does not use encumbrance accounting; under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level with the following provisions:

The City Council may transfer funds from one object or purpose to another within the same department.

The City Council may amend the budget by motion during the fiscal year.

Formal budgetary integration is employed as a management control device during the year for all budgeted funds.

3. Excess of Expenditures Over Appropriations

No fund had expenditures over appropriations for the year ended June 30, 2015.

Fund	Appropriation	Expenditures	Over-Appropriation

3A. Prior Period Adjustments

Net Position:

Prior Period Adjustments was made to comply with the adoption of GASB Statement No. 68 Accounting and Financial Reporting for Pensions. The prior period adjustmet is as follows:

		Proprietary Funds	
	Governmental Activities	Water and Sewer	Solid Waste
Net Position prior to adjuatment:	$ 7,597,781	$ 5,392,082	$ 54,613
Adjustments as follows:			
Record beinnging net pension liability	(244,979)	(57,390)	(37,219)
Deferred Outflows of Resources--Employer contributions Oct 1, 2013- June 30, 2014	32,435	7,598	4,928
Total Prior Period Adjustment	(212,544)	(49,792)	(32,291)
Net Position after prior period adjustment	7,385,237	5,342,290	22,322
Page references	Page 24	Page29	Page 29

Note 4 - Detailed Notes on All Funds

4. Receivables

Receivables at June 30, 2015, consisted of taxes, accounts (billings for user charges), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

The receivable between the general fund and the water and sewer fund is cash advanced to the water and sewer fund which will be repaid within one year.

NOTE 4. RECEIVABLES AND PAYABLES

Receivables

Receivables at June 30, 2015 were as follows:

	Accounts	Taxes	Due from Other Gov't	Notes	Interest	Total
Governmental activities:						
General	$ 7,540	$ 278,034	$ 157,565	$ -	$ 1,275	$ 444,414
Special revenue	-	-	-	-	-	-
Capital projects	-	-	605,280	-	-	605,280
Total governmental activities	$ 7,540	$ 278,034	$ 762,845	$ -	$ 1,275	$ 1,049,694
Business-type activities:						
Water and Sewer	$ 228,582	$ -	$ -	$ -	$ -	$ 228,582
Solid Waste	46,109	-	-	-	-	46,109
Note Receivable	415,463	-	-	147,741	-	563,204
Total business-type activities	$ 690,154	$ -	$ -	$ 147,741	$ -	$ 837,895

Payables at June 30, 2015, were as follows:

Governmental activities:	Vendors	Salaries/ Benefits	Accrued Interest	Other	Total Payables
General	$ 16,217	$ -	$ -	$ -	$ 16,217
Special revenue	-	-	-	-	-
Capital projects	48,000	-	-	-	48,000
Total governmental activities	$ 64,217	$ -	$ -	$ -	$ 64,217
Business-type activities:					
Water and Sewer	$ 48,023	$ -	$ 4,622	$ -	$ 52,645
Solid Waste	18,873	-	-	-	18,873
Revolving loan	-	-	-	-	-
Total business-type activities	$ 66,896	$ -	$ 4,622	$ -	$ 71,518

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

Primary Government

Governmental activities--Net Position Invested in Capital Assets Net of Related Debts:

	Beginning Balance	Increase	Decrease	Ending Balance
Not being depreciated:				
Land	$ 770,000	$ -	$ -	$ 770,000
Being depreciated:				
Buildings	1,450,333	40,000	-	1,490,333
Equipment	2,370,586	126,659		2,497,245
Infrastructure	3,022,740	655,791	-	3,678,531
Totals	6,843,659	822,450	-	7,666,109
Less accumulated depreciation for:				
Buildings	813,089	42,230	-	855,319
Equipment	1,641,529	117,633		1,759,162
Infrastructure	367,258	77,655	-	444,913
Totals	2,821,876	237,518	-	3,059,394
Depreciable-net	4,021,783	584,932	-	4,606,715
Capital Assets-Net	4,791,783	584,932	-	5,376,715
Leases Payable	60,509	52,043	43,748	68,804
Note Payable	318,092	-	34,241	283,851
Totals	378,601	52,043	77,989	352,655
Capital Assets Net of Related Debt	$ 4,413,182	$ 532,889	$ 77,989	$ 5,024,060

Current year increases in the accumulated depreciation of the capital assets were allocated to the governmental functional activities as follows:

General government	$ 17,945
Police	53,945
Fire	23,405
Public Works	121,556
Parks	20,667
Total	$ 237,518

NOTE 5. CAPITAL ASSETS (CONT'D)

Business-type activities-Net Position Invested in Capital Assets Net of Related Debts:

	Beginning Balance	Increase	Decrease	Ending Balance
Not being depreciated:				
Construction	$ -	$ -	$ -	$ -
Land	644,147	-	-	644,147
Total	644,147	-	-	644,147
Being depreciated:				
Buildings	74,717	-	-	74,717
System Improvements	12,819,495	191,003	-	13,010,498
Total	12,894,212	191,003	-	13,085,215
Less accumulated depreciation for:				
Buildings	64,740	2,490	-	67,230
Systems Improvements	6,722,695	409,879	-	7,132,574
Total	6,787,435	412,369	-	7,199,804
Depreciable-net	6,106,777	(221,366)	-	5,885,411
Capital Assets-Net	6,750,924	(221,366)	-	6,529,558
Notes Payable	742,033	-	206,520	535,513
Revenue Bonds	1,055,947	-	89,691	966,256
Total	1,797,980	-	296,211	1,501,769
Capital Assets				
Net of Related Debt	$ 4,952,944	$ (221,366)	$ (296,211)	$ 5,027,789

NOTE 6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred Outflows of Resources

Statement of Net Position:

In addition to assets, the statement of net position reports a separate section for deferred expenses. This separate financial statement element, *deferred outflows of resources,* represents a decrease in net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The City reports two of these items.

NOTE 6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)

Deferred Inflows of Resources

The deferred outflows of resources are reported in the general fund in the amount of $66,052 and in the business type activities in the amount of $25,510. These are reported due to changes in the reporting requirements of GASB 68 Accounting and Financial Reporting for Pensions and is the difference between the Contributions of Oct. 1, 2013-June 30, 2014 and the changes in pension assumptions and the differences between the expected and actual experiences within the pension plan.

In addition to liabilities, the statement of financial position reports a separate section for deferred 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 ill not be recognized as an inflow of resources (revenue) until that time. The City reports three of these items.

The Deferred Inflows of Resources are reported on the Governmental Funds Balance Sheet as follows:

General Fund:

Property Taxes	24,300
Local Option Sales Taxes	36,400
Total General Fund	60,700

Two of these items, unavailable revenue, is reported on the governmental funds balance sheet as capital project funds, 2014 SPLOST $41,780 and the CDBG 14p-x-113-2-2231 $479,945.

The Deferred Inflows of Resources are reported on the Statement of Net Position as follows:

Governmental Activities:

CDBG 14p-x-113-2-2231	$ 394,580
Pension Plan GASB 68 Changes in assumptions (3,878 and the net difference between the projected and actual earnings on investments 25,448)	29,326
Total Governmental Activities	$ 423,906

NOTE 6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)

Deferred Inflows of Resources

Proprietary Funds:

The Deferred Inflows of Resources are reported on the Statement of Net Position as follows:

Water and Sewer:	
Pension Plan GASB 68 Changes in assumptions (909 and the net difference between the projected and actual earnings on investments 5,962)	$ 6,871
Solid Waste:	
Pension Plan GASB 68 Changes in assumptions (589 and the net difference between the projected and actual earnings on investments 3,866)	4,455
Total Proprietary Funds	$ 11,326

The total amount of $11,326 was reported on the Statement of Net Position Business Type Activities.

These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 7. INTERFUND BALANCES AND ACTIVITY

Transfers:

Interfund balances at June 30, 2015 consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period and (3) payments between funds are made. The City expects to repay all interfund balances within one year.

Fund Transferred From:	Fund Transferred To:	Amount	Purpose
General Fund	Solid Waste Fund	$ 57,783	To pay current operations.
General Fund	Capital Improvement Fund	118,817	To purchase capital assets
Water and Sewer Fund	Multi Purpose Building	9,703	To provide for payment of note
Solid Waste	Capital Improvement Fund	9,704	To purchase capital assets
Capital Improvement Fund	Multi Purpose Building	38,813	To provide for payment of note
2008 SPLOST	Water and Sewer Fund	73,810	To transfer the capital assets provided to the water and sewer fund by the 2008 SPLOST fund. All expenditures were made with the 2008 SPLOST fund.
2014 SPLOST	Water and Sewer Fund	84,566	To transfer the capital assets provided to the water and sewer fund by the 2014 SPLOST fund. All expenditures were made with the 2014 SPLOST fund.

Interfund Balances:

Receivable Fund:	Payable Fund	Amount
General fund	Water and Sewer Fund	$ 94,778

All interfund balances are due either to timing differences within the various funds. All interfund balances are expected to be repaid during the fiscal year ending June 30, 2016.

NOTE 8. LONG-TERM OBLIGATIONS

Governmental Activities:	Outstanding 7/1/2014	Additions	Deductions	Outstanding 6/30/2015	Due In one year	Due In more than one year
Note payable	$ 318,092	-	$ 34,241	$ 283,851	$ 35,904	$ 247,947
Capital lease	27,518	-	27,518	-	-	-
Capital lease	10,442	-	5,142	5,300	5,300	-
Capital lease	22,549	-	11,088	11,461	11,461	-
Capital lease	-	52,043	-	52,043	16,789	35,254
Compensated absences	113,755	27,182	29,962	110,975	-	110,975
Total governmental activities	$ 492,356	$ 79,225	$ 107,951	$ 463,630	$ 69,454	$ 394,176

Notes Payable:

The City entered into a note with the United States Department of Agriculture in April of 2002 for the purpose of constructing a Multi Purpose Building to house the City Fire, Police and Public Works. The original principal portion of the loan was $606,000. The repayment is as follows $28,785 due April 16, 2003 with $4,043 due the 16th of each month thereafter for a period of 20 years at 4.750%.

Year Ended	Principal	Interest	Total Princ & Interest
6/30/2016	$ 35,904	$ 12,612	$ 48,516
6/30/2017	36,245	12,271	48,516
6/30/2018	37,568	10,948	48,516
6/30/2019	38,891	9,625	48,516
6/30/2020	40,214	8,302	48,516
6/30/2021-2025	95,029	52,625	147,654
6/30/2026-2030	-	-	-
Totals	$ 283,851	$ 106,383	$ 390,234

The following is an analysis of leased assets under capital lease purchased with lease proceeds as of June 30, 2015:

Asset Description	Cost	Accumulated Depreciation	Cost less Accumulated Depreciation
2009 Pierce Navistar Fire Truck	$ 179,750	$ 79,881	$ 99,869
Police Car Video System	20,895	6,780	14,115
2 2012 Dodge Charger Police Cars	44,996	18,984	26,012
2 Police Vehicles	52,043	3,717	48,326
Totals	$ 297,684	$ 109,362	$ 188,322

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

Capital Lease:
The City entered into a capital lease with Georgia Municipal Association, Incorporated on January 30, 2009 for the purpose to providing a 2009 Pierce Navistary Contender Fire Truck. The original principal portion is $179,750. The payment amounts are $28,477.74 with the first payment due on march 1, 2009 and the final payment on March 1,2015. The interest portion of the lease is 3.49%.

Year Ended	Principal	Interest	Total Princ & Interest
6/30/2016	$ -	-	-
6/30/2017			-
6/30/2018	-	-	-
6/30/2019	-	-	-
6/30/2020	-	-	-
6/30/2021-2025	-	-	-
6/30/2025-2029	-	-	-
Totals	$ -	$ -	$ -

Capital Lease:

The City entered into a capital lease with Branch Bank & Trust on May 6, 2013 for the purpose to providing a police car video system. The original principal portion is $20,895. The payment amounts are $5,463.79 with the first payment due on May 6, 2013 and the final payment due on May 6, 2016 the interst rate is 3.080%.
portion of the lease is 3.49%.

Year Ended	Principal	Interest	Total
6/30/2016	$ 5,300	163	5,463
6/30/2017	-	-	-
6/30/2018	-	-	-
6/30/2019	-	-	-
6/30/2020	-	-	-
6/30/2021-2025	-	-	-
6/30/2025-2029	-	-	-
Totals	$ 5,300	$ 163	$ 5,463

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

Capital Lease:

The City entered into a capital lease with Branch Bank & Trust on August 20, 2012 for the purpose to providing 2 2012 Dodge Charger Police Cars. The original principal portion is $44,996. The payment amounts are $11,843.83 with the first payment due on September 20, 2012 and the final payment due on September 20, 2016 the interst rate is 3.350%.
portion of the lease is 3.49%.

Year Ended	Principal	Interest	Total Princ & Interest
6/30/2016	$ 11,461	383	11,844
6/30/2017	-	-	-
6/30/2018	-	-	-
6/30/2019	-	-	-
6/30/2020	-	-	-
6/30/2021-2025	-	-	-
6/30/2025-2029	-	-	-
Totals	$ 11,461	$ 383	$ 11,844

The City entered into a capital lease with Branch Bank & Trust on June 1, 2015 for the purpose to providing 1 2015 Ford Pursuit Sedan and 1 2015 Ford F 150 Police vehicles. The original prinicipal portion is $52,043 . The payment amounts are $18,501.60 with the first payment due on June 2, 2016 and the final payment due on June 1, 2018 the interst rate is 3.29%.

Year Ended	Principal	Interest	Total Princ & Interest
6/30/2016	$ 16,789	1,712	18,502
6/30/2017	17,342	1,160	18,502
6/30/2018	17,912	590	18,502
6/30/2019	-	-	-
6/30/2020	-	-	-
6/30/2021-2025	-	-	-
6/30/2025-2029	-	-	-
Totals	$ 52,043	$ 3,462	$ 55,506

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

Compensated Absences:

	Balance 6/30/14	Additions	Deductions	Balance 6/30/2015
Compensated absences:	$ 113,755	$ 27,182	$ 29,962	$ 110,975

The compensated absences are expected to be paid from the general fund.

Business type activities:

Business type activities:	Outstanding 7/1/2014	Additions	Deductions	Outstanding 6/30/2015	Due In one year	Due In more than one year
Note payable	$ 742,033	$ -	$ 206,520	$ 535,513	$ 210,006	$ 325,507
Bond payable	1,055,947	-	89,691	966,256	204,151	762,105
Note Payable	425,859	-	10,126	415,733	21,023	394,710
Total business type activities	$ 2,223,839	$ -	$ 306,337	$ 1,917,502	$ 435,180	$ 1,482,322

The following schedules represent the annual requirements to amortize the notes outstanding at June 30, 2015.

Georgia Environmental Facilities Authority note 98-L74-WQ: The original issue date was March 1, 2000 with a maturity date of December 1, 2017. The payments are due quarterly in the amount of $54,402.89 with an interest rate of 1.68%. The original amount of the note was $2,666,732.04. The purpose of the note was to update and improve the water and sewer system.

Year Ended	Interest Rate	Principal	Interest	Total Requirement
6/30/2016	1.68%	210,006	7,334	217,340
6/30/2017	1.68%	213,579	3,761	217,340
6/30/2018	1.68%	111,928	532	112,460
6/30/2019	1.68%	-	-	-
6/30/2020	1.68%	-	-	-
6/30/2021-2025	1.68%	-	-	-
6/30/2026-2030	1.68%	-	-	-
Totals		$ 535,513	$ 11,627	$ 547,140

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

Water and Sewer Promissory Note entered August 4, 2004 in the amount of $2,500,000. Issued at an interest rebate of 4.10% for the purpose of paying off GEFA Loans and providing funding for the additional construction of the sewer treatment facilities. The bonds will mature on June 1, 2020. The bonds will be interest only thru June 1, 2006 then 52 quarterly installments to be paid on March 1, June 1, September 1 and December 1.

Year Ended	Interest Rate	Principal	Interest	Total Requirement
6/30/2016	4.10%	204,151	44,899	249,050
6/30/2017	4.10%	221,504	27,546	249,050
6/30/2018	4.10%	230,727	18,323	249,050
6/30/2019	4.10%	236,668	12,382	249,050
6/30/2020	4.10%	73,206	2,750	75,956
6/30/2021-2025	4.10%	-	-	-
6/30/2026-2030	4.10%	-	-	-
Totals		$ 966,256	$ 105,900	$ 1,072,156

Water and Sewer Promissary Note: Issued February 8, 2011 in the amount of $498,000.00 at an interest rebate of 3.25% for the purpose of providing water and sewer to a school for the Board of Education. The note is with the United States Department of Agriculture. The City then entered into an Intergovernmental Contract with the Board of Education on March 17, 2011 whereby the Board of Education will pay the City $498,000 at a reate of 3.25% in equal monthly installmets of $2,829.00 monthly for a period of twenty years. The City is responsible to the United States Department of Agriculture to pay monthly installments of $2,829.00 monthly for a period of 20 years with the first payment to be due on March 8, 2011 and continue as provided below:

Year Ended	Interest Rate	Principal	Interest	Total Requirement
6/30/2016	3.25%	21,023	12,925	33,948
6/30/2017	3.25%	21,437	12,511	33,948
6/30/2018	3.25%	22,145	11,803	33,948
6/30/2019	3.25%	22,874	11,074	33,948
6/30/2020	3.25%	23,630	10,318	33,948
6/30/2021-2025	3.25%	130,368	39,372	169,740
6/30/2026-2030	3.25%	153,338	16,402	169,740
6/30/2026-2030	3.25%	20,918	228	21,146
Totals		$ 415,733	$ 114,633	$ 530,366

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

The following requirements are made by the bond contract:

A. Pledge of Revenues
The Revenues Bonds are secured by a pledge of all gross revenues of the system and impact fees.

B. Establishment of Various Accounts
1. Revenue Fund Account - to pay all operating and maintenance costs of the system.

2. Sinking Fund Account - to pay principal and interest coming due during the current fiscal year. The amounts in this account are restricted by the bond resolution. Since the amounts are derived from operating revenues and are restricted, a corresponding revenues has been established in the retained earnings.

C. Investment Restrictions
The resolution provides that all monies in the above funds and accounts may only be invested in direct obligations of the U.S. Government, or in obligations unconditionally guaranteed by the U.S. Government. All funds are required to be deposited in federally insured institutions.

D. Other Covenants
The resolution provides for several covenants, such as required revenue rates, annual audit, minimum insurance levels, and exemption form federal income tax. As of June 30, 2014 all of the requirements for the Sinking Fund and Revenue Accounts had been met.

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

Annual debt service requirements to amortize all obligations outstanding, as of June 30, 2015 are as follows:

Governmental Type Activities

	Capital Lease		Note Payable		Totals	
Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2016	33,550	2,258	35,904	12,612	69,454	14,870
2017	17,342	1,160	36,245	12,271	53,587	13,431
2018	17,912	590	37,568	10,948	55,480	11,538
2019	-	-	38,891	9,625	38,891	9,625
2020	-	-	40,214	8,302	40,214	8,302
2021-2025	-	-	95,029	52,625	95,029	52,625
2026-2029	-	-	-	-	-	-
2030-2034			-	-	-	-
	$ 68,804	$ 4,008	$ 283,851	$ 106,383	$ 352,655	$ 110,391

Business Type Activities

	Bonds		Note Payable		Totals	
Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 204,151	$ 44,899	$ 231,029	$ 20,259	$ 435,180	$ 65,158
2017	221,504	27,546	235,016	16,272	456,520	43,818
2018	230,727	18,323	134,073	12,335	364,800	30,658
2019	236,668	12,382	22,874	11,074	259,542	23,456
2020	73,206	2,750	23,630	10,318	96,836	13,068
2021-2025	-	-	130,368	39,372	130,368	39,372
2026-2029	-	-	153,338	16,402	153,338	16,402
2030-2034	-	-	20,918	228	20,918	228
	$ 966,256	$ 105,900	$ 951,246	$ 126,260	$ 1,917,502	$ 232,160

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

Capitalization of Interest

Interest costs incurred in the Water and Sewer and Solid Waste Enterprise Funds during construction are capitalized, net of interest income from the proceeds of related tax exempt debt, as part of the cost of the related assets of the Water and Sewer Enterprise Fund.

Interest costs on long-term incurred and capitalized during the year ended June 30, 2015 were as follows:

	Total Interest Costs Incurred	Interest Costs Capitalized	Net Interest Expense
Business-type activities:			
Water and Sewer Fund	$ 55,035	$ -	$ 55,035
Solid Waste Fund	-	-	-
Totals	$ 55,035	$ -	$ 55,035

Note 9. PENSIONS

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of the City of Blackshear's Pension Plan (CBPP) and additions to/deduction from CBPP's fiduciary net position have been determined on the same basis as they are reported by CBPP. For this purpose, payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description--The City contributes to the City of Blackshear Retirement Plan, which participating member in the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer defined benefit pension plan. O.C.G.A. Section 47-5-1 et Seq. assigns the authority to establish and amend the benefit provisions of the plans that participate in the GEMBS to the respective employer entities. For the City of Blackshear Retirement Plan, that authority rests with the City of Blackshear, Georgia. It is the responsibility of GMEBS to function as the investment and administrative agent for the City of Blackshear, Georgia with respect to the pension plan. GMEBS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Employee Benefit Systems, 201 Pryor Street, SW, Atlanta, Georgia 30303 or calling (404) 688-0472.

Benefits Provided. CBPP provides retirement, disability, and death benefits. Retirement benefits are determined as 1.25 percent of the employee's final 3-year average compensation times the employee's years of service. 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. As a result of this change, all Employees are now included in the valuation. Elected officials are not covered. The employees are vested after five years. The normal retirement age is sixty five plus five years with the early retirement age being fifty five plus ten years.

Note 9. PENSIONS

Contributions - The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet the applicable state funding standards. Under the City of Blackshear's Pension Plan, the City makes 100% of the contributions to the plan. The contractually required contributions, which are actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported an asset for the net pension liability. The amount recognized by the City as the net pension liability were as follows:

City's Net Pension Liability:	
Governmental Activities	$ 245,633
Business-Type Activities	94,861
total Net Pension Liability	340,494

The net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's net pension liability was based on the projection of the City's long-term contributions to the pension plan. Actuarially determined at September 30, 2014.

For the year ended June 30, 2015 the City recognized pension expense of $60,256.

Note 9. PENSIONS

Net Pension Liability:

Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2013 (*)	$ 1,537,791	$ 1,198,203	$ 339,588
Changes for the year:			
Service Cost	30,984	-	30,984
Interest	116,188	-	116,188
Differences between expected and actual experiences	53,235	-	53,235
contributions--employer	-	61,286	(61,286)
Contributions--employee	-	-	-
Net investment income	-	136,157	(136,157)
Benefit payments, including refunds of employee contributions	(77,186)	(77,186)	-
Administrative expense	-	(4,662)	4,662
Other	(6,720)	-	(6,720)
Net Changes	116,501	115,595	906
Balances at September 30, 2014 (**)	$ 1,654,292	$ 1,313,798	$ 340,494

Sensitivity of the Net Pension Liability to Changes in the Discount Rate	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
	$ 544,746	340,494	170,627

(*) 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 June 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 yer ending June 30, 2015.

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report.

Note 9. PENSIONS

Deferred Outflows/Inflows of resources related to pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 42,588	$ -
Changes in assumptions		5,376
Net difference between projected and actual earnings on investments		35,276
Employer contributions October 1, 2014 thru June 30, 2015	48,974	
Total	$ 91,562	$ 40,652

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension:

	Year Established	Outstanding Balance at July 1, 2014	Amount Recognized During FYE June 30, 2015	Outstanding Balance at June 30, 2015
Fiscal year Outflows				
Demographic	2,015	53,235	10,647	42,588
Total Outflows		53,235	10,647	42,588
Fiscal year Inflows				
Investment	2,015	(44,093)	(8,817)	(35,276)
Assumption Change	2,015	(6,720)	(1,344)	(5,376)
Total Inflows		(50,813)	(10,161)	(40,652)
Total		2,422	486	1,936

For the Year Ended June 30:	
2016	484
2017	484
2018	484
2019	484
2020	-
Thereafter	-

Note 9. PENSIONS

Valuation Date:	The actuarially determined contribution rate was determined as of January 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2016
Actuarial Cost Method	Projected Unit Cost
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 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 the end of year. The actuarial value is adjusted, necessary, to be within 20% of market value.

Actuarial assumptions:

Net investment rate of return	7.75%	
Projected salary increases	3.25% plus service based merit increases	
Retirement Age	Normal Retirement age	65 with 5 years of service
	Early Retirement age	55 with 10 years of service
Social security wage base increase:	3.50%	
Cost of living adjustments	0.00%	

Note 9. PENSIONS

Membership of the Plan:

The valuation was mede with respect to the following data:

Pensioners as of the valuation date (including 3 beneficiaries	17
Participants inactive during year ended December 31, 2014 with vested rights	18
Participants active during the year ended December 31, 2014 (including 0 elected officials)	
Fully vested	20
Not vested	16

The actuarial factors as of the valuation date are as follows:

Normal cost, including administrative expenses		$ 43,519
Present value of future benefits		1,908,705
Actuarial accrued liability:		1,512,940
Pensioners and beneficiaries	$ 595,551	
Inactive participants with vested rights	317,759	
Active participants	599,630	
Actuarial value of assets ($1,313,798 at market value)		1,335,464
Unfunded/(Surplue) actuarial accrued liability		$ 177,476

Note 9. PENSIONS

The determination of the recommended contribution is as follows:

Total benefit normal cost	$ 37,167
Administrative expenses	6,352
Expected employee contributions	-
Employer normal cost	43,519
Payment on unfundeed/(surplus) actuarial accrued liability	25,194
Fully funding credit	-
Recommended mid-year contribution at valuation date	63,713
Adjustment to fiscal year *	2,613
Total recommended mid-year contribution, for fiscal year	$ 71,326
Total recommended contribution as a percentage of expected payroll	5.93%

* Fiscal Year Begins July 1, 2015

The mortality and economic 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.

Mortality Rates: Healthy: RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward tow years for males and one year for females.

Disabled: RP-2000 Disabled Retiree Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

Plan termination basis (all lives) 1994 Group Annuity Reserving Unisex Table

The RP-2000 mortality tables were determined to contain sufficient provisions appropriate to reasonably reflect future mortality improvements based on a four-year review of mortality experience for the period January 1, 2010 to June 30, 2014. Mortality experience will be reviewed periodically and updated if necessary.

Note 9. PENSIONS

Net Investment Return:

On-going basis: 7.75% on-going basis, vased on long-term expected rate of return on pension plan investments.

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 included in the pension plan's target asset allocation as of September 30, 2014 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Nominal Real Rate of Return
Domestic Equity	50%	5.95%	9.2%
International Equity	15%	6.45%	9.7%
Fixed Income	25%	1.55%	4.8%
Real Estate	10%	3.75%	7.0%
Cash	0%		
Total	100%		

Plan termination basis: 3.20% (30 year Treasury Securities Rate as of August, 2014, published in September, 2014; 3.76% last year)

Inflation: 3.25%

Note 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The City joined the Georgia Interlocal Risk Management Agency (GIRMA). This membership 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 GRIMA. 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 attorneys appointed by GIRMA to represent the City in investigation, settlement discussions 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 make 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 adjuster, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purposes of GIRMA.

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

Note 10 - RISK MANAGEMENT (Continued)

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 when such loss or injury is within the scope of the protection of a fund or funds in which the City participates.

The City retains the first $2,500 of each risk of loss in the form of a deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to $2,500 deductible.

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 Worker's Compensation Law of Georgia, or on the basis or employer's liability, including suits or other proceedings alleging such injuries and demanding or 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 of defense.

Georgia Municipal Association Worker's Compensation Self-Insurance: The Liability of the fund to the employees of any employer City of Patterson is specifically limited to such obligations as are imposed by applicable state laws against the employer for worker's compensation and/or employer's liability.

As part of these risk pools, the City is obligated to pay all contributions and assessments as described by the pools. To cooperate with the pools agents and attorneys. To follow loss reduction procedures established by 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 claim of loss. The City is also to allow the pools agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigations arising out to any claim made against the City within the scope of loss protection furnished by the funds.

The funds are 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 Worker's Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding or compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The funds are to pay all costs taxes 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.

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the City's insurance coverage during the past three years.

Note 11 - CONTINGENT LIABILITIES

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

Note 12 - LANDFILL

The Georgia Environmental Protection Division has completed its evaluation of the technical and administrative data for the closure of the City's landfill.

The closure was in accordance with the provisions of the Gorgia Comprehensive Solid Waste Management Act O.C.G.A., 12-8-20 and the rules for Solid Waste Management Chapter 391-3-4.

The closure is conditioned upon the City complying with the conditions of monitoring as set by the Environmental Protection Division Department of Natural Resources for a period of five (5) years.

The City has completed its five (5) year monitoring period with no adverse finding.

After closing the City landfill, the City used the Pierce County landfill until Pierce County closed its landfill. The City then contracted with Broadcast Environmental for the transport and disposal of its solid waste.

As of January 1, 2005, the City has contracted with Southland Waste for the collection and disposal of its solid waste.

13. JOINT VENTURES

Under Georgia law, the City, in conjunction with other municipalities and counties in the South Georgia is a member of the Southern Georgia Regional Commission Council (RCC). The RCC is comprised of 18 counties in the Southern Georgia area. Membership in the RCC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of the RCC in Georgia. The RDC Board membership includes representation from each county and municipality of the area, as well as representatives from the private sector and other governmental entities. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RCC. During its year ended June 30, 2015, the City paid $4,431 in RCC dues. Separate financial statements for the RCC are available from:

Southern Georgia Regional Commission Council
3395 Harris Road
Waycross, Georgia 31503

14. RELATED ORGANIZATION:

The Houding Authority of the City is considered a related organization based upon the criteria of GASB Statement 10. The Housing Authority is a legally separate entity having a board composed of members appointed originally by the City. The City is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authortiy of the City of Blackshear, Georgia is a related organization.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

GENERAL FUND

A MAJOR FUND

The General Fund is the principal fund of the City and is used to account for all activities except those required to be accounted for in another fund.

City of Blackshear, Georgia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For The Years Ended June 30, 2015 and 2014

	2015				2014
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Taxes	$ 1,798,827	$ 1,798,827	$ 1,846,074	$ 47,247	$ 1,830,398
Intergovernmental	180,000	180,000	190,374	10,374	183,681
Fines and forfeitures	190,134	190,134	168,458	(21,676)	154,469
Charges for services	79,200	79,200	110,858	31,658	95,800
Other		-	40,000	40,000	237
Interest	6,000	6,000	4,668	(1,332)	5,907
Total Revenues	2,254,161	2,254,161	2,360,432	106,271	2,270,491
Expenditures					
Current:					
General government:	233,599	233,599	226,709	6,890	242,496
Public safety:	1,208,041	1,208,041	1,203,594	4,447	1,046,651
Public works:	564,132	564,132	558,789	5,343	538,301
Culture and recreartion	13,500	13,500	13,107	393	6,859
Community development	162,742	162,742	156,727	6,015	108,563
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
TOTAL EXPENDITURES	2,182,014	2,182,014	2,158,926	23,088	1,942,870
Excess of revenues over (under) expenditures Taxes	72,147	72,147	201,506	129,359	327,621
Other Financing Sources (Uses)					
Sale of General Capital Asset	-	-	-	-	14,100
Capital related debt issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	(72,147)	(72,147)	(176,600)	(104,453)	(129,138)
TOTAL OTHER FINANCING SOURCES (USES)	(72,147)	(72,147)	(176,600)	(104,453)	(115,038)
Net change in fund balance	-	-	24,906	24,906	212,583
FUND BALANCE BEGINNING			1,815,165	1,815,165	1,602,582
FUND BALANCE ENDING	$ -	-	$ 1,840,071	$ 1,840,071	$ 1,815,165

City of Blackshear, Georgia
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2015

The City's budget is prepared on the modified accrual basis for all governmental funds. The budget for the enterprise funds is prepared on the accrual basis. The budgets for all funds is prepared in accordance with Generally Accepted Accounting Principles as applied to a government.

The City prepares budgets for the funds as follows:

Governmental Funds:

Major Governmental Funds:
General Fund

Capital Project Funds:
2014 SPLOST
2008 SPLOST Fund
CDBG 14p-x-113-2-2231

Non-Major Governmental Funds:

Special Revenue Funds:
Police Fines and Forfeitures

Capital Project Funds:
Capital Improvement Fund
Multi Purpose Building
CDBG 12p-x-113-2-5458

Enterprise Funds:

Major Enterprise Funds:
Water and Sewer Fund
Solid Waste Fund
Revolving Loan Fund

No fund had expenditures in excess of appropriations at June 30, 2015.

Required Supplementary Information

Pension Plan

City of Blackshear, Georgia
Schedule of the City's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006

The numbers shown are based on a September 30, 2014 measurement date which would make them applicable to the Fiscal Year Beginning July 1, 2014 and ending June 30, 2015.

Total Pension Liability:	
Service Cost	$ 30,984
Interest	116,188
Difference between expected and actual experience	53,235
Benefits payments, including refunds of employee contributions	(77,186)
Other	(6,720)
Net change in total pension liability	116,501
Total pension liability:	
Beginning	1,537,791
Ending (a)	$ 1,654,292

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

City of Blackshear, Georgia
Schedule of the City's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Plan fiduciary net position:										
Contributions--employer	$ 61,286									
Contributions--employee	-									
Net investment income	136,157									
Benefits payments, including refunds of employee contributions	(77,186)									
Administrative expense	(4,662)									
Other	-									
Net change in Fiduciary net position	115,595									
Plan fiduciary net position:										
Beginning	1,198,203									
Ending (b)	$ 1,313,798									

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

City of Blackshear, Georgia
Schedule of the City's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
City's net pension liability ending: (a) - (b)	$ 340,494									
Plan fiduciary net position as a percentage of total pension liability	79.42%									
Covered employee payroll	$ 1,183,453									
Net pension liability as a percentage of covered employee payroll	28.77%									

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

City of Blackshear, Georgia
Schedule of the City's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Schedule of Contributions:										
Actuarially determined contribution	*									
Contributions in relation to the actuarially determined contribution	*									
Contribution deficiency (excess)	*									
Covered-employee payroll	*									
Contribution as a percentage of covered employee payroll	*									

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

City of Blackshear, Georgia
Notes to Required Supplementary Information
Employees Pension Plan
Last 10 Fiscal Years *

Notes to Schedule of Contributions:

Valuation Date	The actuarially determined contribution rate was determined as of January 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2016.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 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.

City of Blackshear, Georgia
Notes to Required Supplementary Information
Employees Pension Plan
Last 10 Fiscal Years *

Notes to Schedule of Contributions:

Actuarial Assumptions:

Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	
Employees	65-70
Inactive vested participants	65
Mortality	
Healthily	RP-2000 Combined Healthily Mortality Table for sex-distinct rates, set forward two years for males and one year for females.
Disabled:	RP-200 Disabled Retiree Mortality Table with sex-distinct rates.
Plan termination basis (all lives):	1994 Group Annuity Reserving Unisex Table.

The RP-2000 mortality tables were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a four-year review of mortality experience for the period January 1, 2010 to June 30, 2014. Mortality experience will be reviewed periodically and updated if necessary.

Actuarial Valuation History for Notes to Schedules:

Changes in assumptions:

As a result of the plan change to provide immediate participation for Employees, for the Fiscal Year ending in 2016, the eligibility assumption has been changed from one year to immediate. The increase in the Plan's Net Pension Liability, is minimal and has been included in the differences between expected and actuarial experience.

Amounts reported for the Fiscal Year ending in 2016 and later reflect the following assumptions changes based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014:

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, 36% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.

The inflation assumption was decreased from 3.50% to 3.25%.

Actuarial Valuation History for Notes to Schedules:

Changes in assumptions: (Continued)

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. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

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.

NON-MAJOR GOVERNMENTAL FUNDS

Funds generally used to account for tax supported activities which include the non-major governmental funds and the capital project funds of the City.

City of Blackshear, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Cash	$ 10,020	$ 106,066	$ 116,086
Intergovernmental Receivable	-	-	-
Tax receivable (net of	-	-	-
allowance for uncollectibles)	-	-	-
Interest receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Total Assets	$ 10,020	$ 106,066	$ 116,086
Liabilities, Deferred Inflows of Resources and Fund Balances:			
Liabilities			
Accounts payable and accruals	$ -	$ -	$ -
Total Liabilities	-	-	-
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflow of Resources	-	-	-
Fund Balances			
Restricted:			
Public safety	10,020		10,020
Capital Projects	-	-	-
Committed:			
Public safety	-	-	-
Capital Projects	-	106,066	106,066
TOTAL FUND BALANCE	10,020	106,066	116,086
TOTAL LIABILITIES AND FUND BALANCES	$ 10,020	$ 106,066	$ 116,086

City of Blackshear, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	$ 24,040	$ -	$ 24,040
Intergovernmental	-	302,693	302,693
Fines and Forfeitures	9,909	-	9,909
Interest	2	66	68
Recreation	-	-	-
Other	-	-	-
Total Revenues	33,951	302,759	336,710
Expenditures:			
Current:			
General Government	-	-	-
Public Safety	3,428	-	3,428
Public Works	-	-	-
Culture and recreation	24,040	-	24,040
Capital Outlay:			
General Government	-	-	-
Public Safety	3,464	54,641	58,105
Public Works	-	271,294	271,294
Debt Service:			
Principal	-	77,989	77,989
Interest	-	16,313	16,313
Total Expenditures	30,932	420,237	451,169
Excess of Revenues Over (Under) Expenditures	3,019	(117,478)	(114,459)
Other Financing Sources			
Inception of lease	-	52,043	52,043
Transfers In	-	177,037	177,037
Transfers (Out)	-	(38,813)	(38,813)
Total Other Financing Sources	-	190,267	190,267
Net Change in Fund Balances	3,019	72,789	75,808
Fund Balance Beginning	7,001	33,277	40,278
Fund Balance Ending	$ 10,020	$ 106,066	$ 116,086

NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditures for particular purposes.

The City's Non-Major Special Revenue Funds are as follows:

Police Confiscations
Hotel/Motel Tax Fund

NON-MAJOR SPECIAL REVENUE FUNDS

Police Confiscation Fund: To account for the cash received either as a result of a cash confiscation or cash received from a sale of capital assets acquired from a drug raid.

Hotel/Motel Tax Fund: To account for the cash received from the hotel/motel tax.

City of Blackshear, Georgia
All Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds		
	Police Confiscations	Hotel/Motel Tax Fund	Total Nonmajor Special Revenue Funds
Assets			
Cash	$ 10,020	$ -	$ 10,020
Intergovernmental Receivables	-	-	-
Receivable - Other	-	-	-
Receivable - Grant	-	-	-
Taxes Receivables	-	-	-
Due from Other Funds	-	-	-
Total Assets	$ 10,020	$ -	$ 10,020
Liabilities, Deferred Inflows of Resources and Fund Balance			
Liabilities:			
Accounts Payable and accruals	$ -	$ -	$ -
Total Liabilities	-	-	-
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflow of Resources	-	-	-
Fund Balances			
Restricted:			
Capital Projects	-	-	-
Committed:			
Captial projects	10,020	-	10,020
Total Fund Balances	10,020	-	10,020
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 10,020	$ -	$ 10,020

City of Blackshear, Georgia
All Nonmajor Special Revenue Funds
Combing Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Funds		
	Police Confiscations	Hotel/Motel Tax Fund	Total Nonmajor Special Revenue Funds
Revenues			
Taxes	$ -	$ 24,040	$ 24,040
Fines and forfeitures	9,909	-	9,909
Other revenue	-	-	-
Interest	2	-	2
Total Revenues	9,911	24,040	33,951
Expenditures			
Current:			
Public Safety	3,428	-	3,428
Culture & Recreation	-	24,040	24,040
Capital Outlay:			
Public Safety	3,464	-	3,464
Public Works	-	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	6,892	24,040	30,932
Excess (Deficiency) of Revenues over (under) Expenditu	3,019	-	3,019
Other Financial Resources (Uses)			
Inception of lease	-	-	-
Transfer In	-	-	-
Transfers (Out)	-	-	-
Total Other Financial Resources (Uses)	-	-	-
Excess Revenues Over (under) Expenditures and Other Financial Sources (uses)	3,019	-	3,019
Net Changes in Fund Balances	3,019	-	3,019
Fund Balances Beginning	7,001	-	7,001
Fund Balances Ending	$ 10,020	$ -	$ 10,020

City of Blackshear, Georgia
Police Confiscations
Balance Sheet
June 30, 2015

ASSETS:	
Cash	$ 10,020
TOTAL ASSETS	$ 10,020
LIABILITIES AND FUND BALANCE:	
LIABILITIES	
Accounts Payable	$ -
TOTAL LIABILITIES	-
FUND BALANCES	
Restricted:	
Public safety	10,020
TOTAL FUND BALANCES	10,020
TOTAL LIABILITIES AND FUND BALANCES	$ 10,020

City of Blackshear, Georgia
Police Confiscations
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES:	$	$	$	$
Fines and forfeitures	9,500	9,500	9,909	409
Interest	5	5	2	(3)
TOTAL REVENUES	9,505	9,505	9,911	406
EXPENDITURES:				
Current:				
Public safety	5,000	5,000	3,428	1,572
Capital Outlay:				
Public Safety	4,505	4,505	3,464	1,041
TOTAL EXPENDITURES	9,505	9,505	6,892	2,613
Excess (deficiency) of Revenues over (under) Expenditures	-	-	3,019	3,019
NET CHANGE IN FUND BALANCE	-	-	3,019	3,019
FUND BALANCE BEGINNING	7,001	7,001	7,001	-
FUND BALANCE ENDING	$ 7,001	$ 7,001	$ 10,020	$ 3,019

City of Blackshear, Georgia
Hotel/Motel Tax Fund
Balance Sheet
June 30, 2015

ASSETS:	
Cash	$ -
TOTAL ASSETS	$ -
LIABILITIES AND FUND BALANCE:	
LIABILITIES	
Accounts Payable	$ -
TOTAL LIABILITIES	-
FUND BALANCES	
Restricted:	
Public safety	-
TOTAL FUND BALANCES	-
TOTAL LIABILITIES AND FUND BALANCES	$ -

City of Blackshear, Georgia
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES:	$ -	$ -	$ -	$ -
Taxes	24,500	24,500	24,040	(460)
Interest	-	-	-	-
TOTAL REVENUES	24,500	24,500	24,040	(460)
EXPENDITURES:				
Current:				
Culture and recreation	24,500	24,500	24,040	460
Capital Outlay:				
Culture and recreation	-	-	-	-
TOTAL EXPENDITURES	24,500	24,500	24,040	460
Excess (deficiency) of Revenues over (under) Expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE BEGINNING	-	-	-	-
FUND BALANCE ENDING	$ -	$ -	$ -	$ -

NON-MAJOR CAPITAL PROJECTS FUNDS

The Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary of trust funds.

The City's Non-Major Capital Project Funds are as follows:

Multiple Purpose Building Fund
Capital Improvement Fund
CDBG 12p-x-113-2-5458

NON-MAJOR CAPITAL PROJECTS FUNDS

Multi Purpose Building Fund:	To account for funds for the City's Multi Purpose Building.
Capital Improvement Fund:	To account for funds accumulated for the purpose of purchasing and maintaining major capital assets.
CDBG 12p-x-113-2-5458	To account for funds provided by the CDBG 12p-x-113-2-5458 and for the use of these funds in accordance with the Grant agreement.

City of Blackshear, Georgia
All Nonmajor Capital Project Funds
Combining Balance Sheet
June 30, 2015

	Capital Project Funds			
	Multiple Purpose Building	Capital Improvements Fund	CDBG 12p x-113-2 5458	Total Nonmajor Capital ProJect Funds
Assets				
Cash	$ 4,047	$ 101,919	$ 100	$ 106,066
Intergovernmental Receivables	-	-	-	-
Receivable - Other	-	-	-	-
Receivable - Grant	-	-	-	-
Taxes Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	$ 4,047	$ 101,919	$ 100	$ 106,066
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts Payable and accruals	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-
Deferred Inflows of Resources	-	-	-	-
Total Liabilities and Deferred Inflow of Resources	-	-	-	-
Fund Balances				
Restricted:				
Capital Projects	-	-	-	-
Committed:				
Captial projects	4,047	101,919	$ 100	106,066
Total Fund Balances	4,047	101,919	$ 100	106,066
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 4,047	$ 101,919	$ 100	$ 106,066

City of Blackshear, Georgia
All Nonmajor Capital Project Funds
Combing Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2015

	Capital Project Funds			
	Multiple Purpose Building	Captial Improvements Fund	CDBG 12p x-113-2 5458	Total Nonmajor Capital Project Funds
Revenues				
Intergovernmental	$ -	$ 86,519	$ 216,174	$ 302,693
Other revenue	-	-	-	-
Interest	-	66	-	66
Total Revenues	-	86,585	216,174	302,759
Expenditures				
Current:				
Administritive	-	-	-	-
Public Works	-	-	-	-
Culture & Recreation	-	-	-	-
Capital Outlay:				
General Government	-		-	-
Public Safety	-	54,641	-	54,641
Public Works	-	55,120	216,174	271,294
Debt Service				
Principal	34,241	43,748	-	77,989
Interest	14,275	2,038	-	16,313
Total Expenditures	48,516	155,547	216,174	420,237

City of Blackshear, Georgia
All Nonmajor Capital Project Funds
Combing Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2015

	Capital Project Funds			
	Multiple Purpose Building	Captial Projects Fund	2014 SPLOST	Total Nonmajor Capital Project Funds
Excess (Deficiency) of Revenues over (under) Expenditures	(48,516)	(68,962)	-	(117,478)
Other Financial Resources (Uses)				
Inception of lease	-	52,043	-	52,043
Transfer In	48,516	128,521	-	177,037
Transfers (Out)	-	(38,813)		(38,813)
Total Other Financial Resources (Uses)	48,516	141,751	-	190,267
Excess Revenues Over (under) Expenditures and Other Financial Sources (uses)	-	72,789	-	72,789
Net Changes in Fund Balances	-	72,789	-	72,789
Fund Balances Beginning	4,047	29,130	100	33,277
Fund Balances Ending	$ 4,047	$ 101,919	$ 100	$ 106,066

City of Blackshear, Georgia
Multiple Purpose Building
Balance Sheet
June 30, 2015

Assets:		
Cash	$	4,047
Total Assets	$	4,047
Liabilities And Fund Balance		
Liabilities:		
Accounts Payable	$	-
Total Liabilities		-
Fund Balances		
Committed:		
Capital Projects		4,047
Total Fund Balances		4,047
Total Liabilities and Fund Balances	$	4,047

City of Blackshear, Georgia
Multiple Purpose Building
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:				
Other revenue	$ -	$ -	$ -	$ -
	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Public Works	-	-	-	-
Debt Service:				
Principal	34,241	34,241	34,241	-
Interest	14,275	14,275	14,275	-
Total Expenditures	48,516	48,516	48,516	-
Excess (deficiency) of				
Revenues over Expenditures	(48,516)	(48,516)	(48,516)	-
Other Financing Sources (Uses)				
Transfers In	48,516	48,516	48,516	-
Transfers (Out)	-	-	-	-
Total Other Financial Sources (Uses)	48,516	48,516	48,516	-
Net Change in Fund Balance	-	-	-	-
Fund Balance Beginning	4,047	4,047	4,047	-
Fund Balance Ending	$ 4,047	$ 4,047	$ 4,047	$ -

City of Blackshear, Georgia
Capital Improvements Fund
Balance Sheet
June 30, 2015

Assets:		
Cash	$	101,919
Due from other funds		-
Total Assets	$	101,919
Liabilities And Fund Balance		
Liabilities:		
Accounts Payable	$	-
Total Liabilities		-
Fund Balances		
Committed:		
Capital Projects		101,919
Total Fund Balances		101,919
Total Liabilities and Fund Balances	$	101,919

City of Blackshear, Georgia
Capital Improvements Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:				
Intergovernmental	$ 87,500	$ 87,500	$ 86,519	$ (981)
Other revenue	-	-	-	-
Interest	50	50	66	16
Total Revenues	87,550	87,550	86,585	(965)
Expenditures:				
Current:				
Public Works	-	-	-	-
Capital Outlay:				
General Government	-	-	-	-
Public Safety	55,000	55,000	54,641	359
Public Works	57,500	57,500	55,120	2,380
Debt Service:				
Principal	43,748	43,748	43,748	-
Interest	2,038	2,038	2,038	-
Total Expenditures	158,286	158,286	155,547	2,739
Excess (deficiency) of Revenues over Expenditures	(70,736)	(70,736)	(68,962)	1,774
Other Financing Sources (Uses)				
Inception of lease	53,000	53,000	52,043	(957)
Transfers In	128,521	128,521	128,521	-
Transfers (Out)	(38,813)	(38,813)	(38,813)	-
Total Other Financial Sources (Uses)	142,708	142,708	141,751	(957)
Net Change in Fund Balance	71,972	71,972	72,789	817
Fund Balance Beginning	29,130	29,130	29,130	-
Fund Balance Ending	$ 101,102	$ 101,102	$ 101,919	$ 817

City of Blackshear, Georgia
CDBG 12p-x-113-2-5458
Balance Sheet
June 30, 2015

Assets:		
Cash	$	100
Intergovernmental		-
Total Assets	$	100
Liabilities, Deferred Inflows of Resources And Fund Balance		
Liabilities:		
Accounts Payable	$	-
Total Liabilities		-
Deferred Inflows of Resources		-
Total Liabilities and Deferred Inflows of Resources		-
Fund Balances		
Restricted:		
Capital Project		100
Total Fund Balances		100
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$	100

City of Blackshear, Georgia
CDBG 12p-x-113-2-5458
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:				
Intergovernmental	$ 500,000	$ 500,000	$ 216,174	$ (283,826)
Other revenue	-	-	-	-
Interest	-	-	-	-
Total Revenues	500,000	500,000	216,174	(283,826)
EXPENDITURES:				
Current:				
Administration	-	-	-	-
Public Works	-	-	-	-
Capital Outlay:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	500,000	500,000	216,174	283,826
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	500,000	500,000	216,174	283,826
Excess (deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Inception of lease			-	-
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financial Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance Beginning	100	100	100	-
Fund Balance Ending	$ 100	$ 100	$ 100	$ -

MAJOR CAPITAL PROJECTS FUNDS

The Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary of trust funds.

The City's Major Capital Project Funds are as follows:

2008 SPLOST Fund
2014 SPLOST Fund
CDBG 14p-x-113-2-2231

City of Blackshear, Georgia
Budgetary Comparison Schedule--Capital Projects
2008 SPLOST Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary	Variance with
	Original	Final	Basis)	Final Budget
REVENUES:				
Intergovernmental	$ -	$ -	$ -	$ -
Interest	1,500	1,500	1,165	(335)
TOTAL REVENUES	1,500	1,500	1,165	(335)
EXPENDITURES:				
Current:				
Administration	20,000	20,000	17,131	2,869
Public Safety	15,000	15,000	12,674	2,326
Public Works	420,000	420,000	418,057	1,943
Recreation	-	-	-	-
Contingency	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	455,000	455,000	447,862	7,138
Excess of Revenues over (under) Expenditures	(453,500)	(453,500)	(446,697)	6,803
OTHER FINANCING SOURCES (Uses)				
Transfers In	-	-	-	-
Transfer Out	(74,000)	(74,000)	(73,810)	(190)
TOTAL OTHER FINANCING SOURCES (USES)	(74,000)	(74,000)	(73,810)	(190)
NET CHANGE IN FUND BALANCE	$ (527,500)	$ (527,500)	(520,507)	$ 6,993
FUND BALANCE BEGINNING			1,142,016	
FUND BALANCE ENDING			$ 621,509	

City of Blackshear, Georgia
Budgetary Comparison Schedule--Capital Projects
2014 SPLOST Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	$ 500,000	$ 500,000	$ 506,891	$ 6,891
Other revenue	-	-	-	-
TOTAL REVENUES	500,000	500,000	506,891	6,891
EXPENDITURES:				
Current:				
Administration	-	-	-	-
Public Safety	2,000	2,000	1,719	281
Public Works	5,000	5,000	-	5,000
Recreation	4,000	4,000	3,870	130
Contingency	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	11,000	11,000	5,589	5,411
Excess of Revenues over (under) Expenditures	489,000	489,000	501,302	12,302
OTHER FINANCING SOURCES (Uses)				
Transfers In	-	-	-	-
Transfer Out	(85,000)	(85,000)	(84,566)	-
TOTAL OTHER FINANCING SOURCES (USES)	(85,000)	(85,000)	(84,566)	-
NET CHANGE IN FUND BALANCE	$ 404,000	$ 404,000	416,736	$ 12,736
FUND BALANCE BEGINNING			116,185	
FUND BALANCE ENDING			$ 532,921	

City of Blackshear, Georgia
Budgetary Comparison Schedule--Capital Projects
CDBG 14p-x-113-2-2231
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary	Variance with
	Original	Final	Basis)	Final Budget
REVENUES:				
Intergovernmental	$ 479,945	$ 479,945	$ -	$ (479,945)
Other revenue	-	-	-	-
TOTAL REVENUES	479,945	479,945	-	(479,945)
EXPENDITURES:				
Current:				
Administration	28,796	28,796	-	28,796
Public Safety	-	-	-	-
Public Works	429,666	429,666	-	429,666
Recreation	-	-	-	-
Contingency	21,483	21,483	-	21,483
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	479,945	479,945	-	479,945
Excess of Revenues over (under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (Uses)				
Transfers In	-	-	-	-
Transfer Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	$ -	$ -	-	$ -
FUND BALANCE BEGINNING				
FUND BALANCE ENDING			$ -	

General Fund
A Major Fund

Comparative Balance Sheet
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance

GENERAL FUND

A MAJOR FUND

The General Fund is the principal fund of the City and is used to account for all activities except those required to be accounted for in another fund.

City of Blackshear, Georgia
General Fund
Comparative Balance Sheet
June 30, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	$ 1,367,247	$ 1,516,573
Receivables, net	286,848	139,427
Due from other funds	94,778	94,778
Receivables from other governments	157,565	149,135
Prepaid	10,550	11,540
Total Assets	$ 1,916,988	$ 1,911,453
Liabilities and Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable and accruals	$ 16,217	$ 32,847
Due to other funds	-	-
Payable to other governments	-	-
Total Liabilities	16,217	32,847
Deferred Inflows of Resources	60,700	63,441
Total Liabilities and Deferred Inflows of Resources	76,917	96,288
Fund balances:		
Nonspendable:		
Prepaids	10,550	11,540
Unassigned	1,829,521	1,803,625
Total Fund Balances	1,840,071	1,815,165
Total Liabilities and Fund Balances	$ 1,916,988	$ 1,911,453

City of Blackshear, Georgia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For The Years Ended June 30, 2015 and 2014

	2015	2014
Revenues		
Taxes	$ 1,846,074	$ 1,830,397
Intergovernmental	190,374	183,681
Fines and forfeitures	168,458	154,469
Charges for services	110,858	95,800
Other	40,000	237
Interest	4,668	5,907
Total Revenues	2,360,432	2,270,491
Expenditures		
Current:		
General government:	226,709	242,496
Public safety:	1,203,594	1,046,651
Public works:	558,789	538,301
Culture and recreation	13,107	6,859
Community Development	156,727	108,563
Debt Service:		
Principal	-	-
Interest	-	-
Total Expenditures	2,158,926	1,942,870
Excess of revenues over (under) expenditures Taxes	201,506	327,621
Other Financing Sources (Uses)		
Sale of General Capital Assets	-	14,100
Capital related debt issued	-	-
Transfers in	-	-
Transfers (out)	(176,600)	(129,138)
Total Other Financing Sources (Uses)	(176,600)	(115,038)
Net Change in Fund Balance	24,906	212,583
Fund Balance Beginning	1,815,165	1,602,582
Fund Balance Ending	$ 1,840,071	$ 1,815,165

STATE COMPLIANCE SECTION

SPECIAL REPORTS

The Special Report is applicable to the Special 1 Percent Sales and Use Tax required by the State of Georgia.

Earl A. Lawson CERTIFIED PUBLIC ACCOUNTANT

POST OFFICE DRAWER 942
112 N. CENTRAL AVENUE
BLACKSHEAR, GA 31516-0942
TELEPHONE: 912-449-5485
FAX: 912-449-1529

INDEPENDENT AUDITORS' REPORT ON SPECIAL 1 PERCENT SALES AND USE TAX

The City Council
Blackshear, Georgia

I have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Blackshear, Georgia for the year ended June 30, 2015. This schedule is the responsibility of the City of Blackshear management. My responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the Schedule of Special Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. I believe that my audit provides a reasonable basis for my opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 pm the modified accrual basis of accounting used form the Special Purpose Local Option Sales Tax schedule as described in Note 1-D and is not intended to be a complete presentation of the City of Blackshear's revenues and expenditures.

In my opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in the City of Blackshear's resolution or ordinance calling for the tax for the year ended June 30, 2015, in conformity with accounting principles generally accepted in the United States of America.

Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia 31516
September 18, 2015

MEMBER:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

City of Blackshear, Georgia
Schedule of Projects Constructed With Special Purpose
Local Option Sales Tax Proceeds
For the Year Ended June 30, 2015

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
2008					
Water and Sewer Capital outlay projects	$ 800,000	$ 182,741	$ 73,810	$ 256,551	32.07%
Road Maintenance	1,209,000	1,193,784	439,617	1,633,401	135.10%
Public Safety:					
Police	13,860	96,374	-	96,374	695.34%
Recreation/Historical/Curtural	880	9,177	8,245	17,422	1979.77%
TOTAL	$ 2,023,740	$ 1,482,076	$ 521,672	$ 2,003,748	

Note (1): Estimated percentage of completion is based on expenditures by the City to date in relation to total estimated expenditures, which have been provided by City management.

Note (2): Reconciliation of the current year total above to the expenditures and transfers on page 92.

Total Expenditures page 92	$ 447,862
Transfer Out on page 92	73,810
Total as above	$ 521,672

The transfer out from the 2008 SPLOST fund was to transfer the capital assets to the water and sewer fund. All funds were spent within the 2008 SPLOST account.

City of Blackshear, Georgia
Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended June 30, 2015

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
2014					
Water and Sewer Infrastructure	$ 1,773,200	$ -	$ 84,566	$ 84,566	4.77%
Public Safety (Enforcement and Fire)	220,000	-	1,719	1,719	0.78%
Road Maintenance	561,000	137	-	137	0.02%
Recreational (Historical/Curtural Facilities	138,600	-	3,870	3,870	2.79%
Downtown Development Facilities	24,200	-	-	-	0.00%
Road and Street Construction and Maintenance	495,000	-	-	-	0.00%
TOTAL	$ 3,212,000	$ 137	$ 90,155	$ 90,292	

Note (1): Estimated percentage of completion is based on expenditures by the City to date in relation to total estimated expenditures, which have been provided by City management.

Note (2): Reconciliation of the current year total above to the expenditures and transfers on page 93.

Total Expenditures	$ 5,589
Transfer Out	84,566
Total as above	$ 90,155

The transfer out from the 2008 SPLOST fund was to transfer the capital assets to the water and sewer fund. All funds were spent within the 2008 SPLOST account.

Earl A. Lawson CERTIFIED PUBLIC ACCOUNTANT

POST OFFICE DRAWER 942
112 N. CENTRAL AVENUE
BLACKSHEAR, GA 31516-0942
TELEPHONE: 912-449-5485
FAX: 912-449-1529

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 City Council
City of Blackshear, Georgia

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blackshear, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the City of Blackshear's basic financial statements, and have issued my report thereon dated September 18, 2015.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the City of Blackshear's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Blackshear's internal control. Accordingly, I do not express an opinion on the effectiveness to the City of Blackshear'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

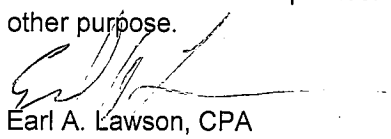
MEMBER:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Compliance and Other Matters

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

Purpose of this Report

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



Earl A. Lawson, CPA
Blackshear, Georgia
September 18, 2015